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THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 2, 1937 | 10c a Copy; $5.00 a Year | No. 1

The Nation's Business

Needed in 1937
Balanced Budgets, a Rail Solution and Debt Relief
The Globe and Mail Takes Honest Stand
Opposes Policies of Repudiation

Ottawa Still Has Work To Do

THE year 1937 has come around and Canada is but little nearer to a solution of its major problems in public finance than it was when the curtain rose on 1936. This, it must be admitted, is a rather sad state of affairs.

True, there has been substantial improvement in business conditions, especially in Eastern Canada and British Columbia. Tax collections of Dominion, provincial and municipal governments have shown substantial improvement. To that extent the burdens have lightened. Deficits, however, continue large. The deficit of the Federal Government alone for the year ending March 31 next is estimated at $100 millions. The railway problem remains unsolved and for that matter is officially ignored. Nothing has been done to ease the financial burdens of the three Prairie Provinces and their municipalities.

* * *

THESE three factors are black clouds upon the horizon of business. Unless they are removed through aggressive governmental action, Canada will not be adequately insured against financial disaster in the future. Until they have been obliterated Canada cannot hope for its full share of prosperity.

The elimination of governmental deficits means balanced budgets and The Financial Post believes that these should be achieved by economies rather than by new taxation. To eliminate deficits by increased taxation would not solve the problem. The resultant burden on industry would only retard business recovery. Balanced budgets through economies, on the other hand, would bring financial stability and would give great impetus to economic recovery.

The railway problem centres around C.N.R. deficits and is a major factor in the problem of Dominion Government deficits. Until it is solved there is little hope of the Dominion Government balancing its budget.

* * *

AS HAS been pointed out by The Financial Post on numerous occasions, the financial position of Alberta, Saskatchewan and Manitoba is serious. Unless some Dominion leadership in debt refunding is forthcoming in the near future it is possible that the repudiatory psychology of Alberta will spread to the other two provinces as well. Such action would be a severe blow to Canada's credit and would further retard recovery in the West, which is already lagging behind the rest of Canada. Aggressive action should be taken by the Dominion Government at once to find a solution to this problem.

It is evident, therefore, that the Dominion Government has many resolutions which it should make for the New Year. Let it not be said at the end of 1937 that nothing has been accomplished.

* * *

It Looks Like The Old Globe

THE Toronto Globe and Mail continues to criticize the Ontario Government on its policy of contract repudiation and urges that the province remove the blot that has marred its escutcheon since the Government cancelled agreements to buy power in Quebec province. The Globe and Mail's policy is one that thinks of justice to small as well as large investors, that thinks of refurbishing provincial credit.

The Toronto daily is thoroughly sound in this policy. Its vigorous editorials on the subject are reminiscent of the rugged old Globe of other days. There was a time when the Globe would never have condoned such dishonest public policies as cancelling contracts that were the backing of millions of dollars of bonds sold in good faith and with confidence in the province's word. In its last year or so as a separate newspaper, the Globe weakened in its traditional fidelity to public duty in order to support Ontario's ugly and mischievous policy of repudiation. Now the Globe and Mail has taken the stand that the Globe itself should have taken.

* * *

MANY reasons have been advanced in other newspapers to account for the Globe and Mail's present firm stand. Some of the explanations are more amusing than probable. The Financial Post is not much concerned with the reasons why The Globe and Mail has come out for a fair deal for the power investors. But it does commend the paper's independence, which is the more remarkable since up to now in its brief history under the new name it has been an avowed supporter of the Hepburn Government, which cancelled the contracts.

Let the new Globe and Mail con-

(Continued on page 2, col. 3)

Claim Hydro To Rearrange Power Deals

Bond Buyers Suggest New Contract for Beauharnois

ROEBUCK OUT?

Confidence is expressed by Toronto bond dealers interested in the future fortunes of Beauharnois 5% bonds that the controversy over the Ontario Hydro's cancelled power contracts will be settled satisfactorily.

It is suggested that within a few months the Ontario Government will announce new agreements with the Quebec power companies. However, there have been no negotiations between the Hydro Commission and the power firms, it is stated to The Financial Post.

As a result of this confidence among some investment men, the market for Beauharnois 5% bonds has been strong in Toronto with much of the selling coming from Montreal.

Views on Editorials

Bond men who are optimistic on the outlook for solution of the power issues place their faith in newly announced editorial policies of the Toronto Globe and Mail. Despite its close friendship with the Liberal Government of Premier Mitchell F. Hepburn, the Globe and Mail has been attacking the Government's repudiation of Quebec power contracts of the Ontario Hydro-Electric Power Commission.

The significant possibilities seen in this editorial policy are:

1. That even though Mr. Hepburn professes to be annoyed by it, he can if he wishes turn it to his advantage since it opens the way for the Government to make new deals with the Quebec power companies on the face-saving ground that public opinion demands it.

2. That it is possible to remove one of the obstacles to new power deals by "promotion" from the Ontario Cabinet to the bench of Hon. A. W. Roebuck, attorney-general, and spearhead of the original repudiation campaign.

New Developments

Buyers of Beauharnois 5's regard as important clues to possible settlements of the power contracts new editorial information published by the Globe and Mail this week. Among that newspaper's statements considered of importance are these:

1. Premier Hepburn, several weeks ago, in urging publisher C. George McCullagh to use the Globe and Mail to mold and dictate public opinion, stated that governments in their policies only express what, in their belief, the people demand.

2. The controversy has brought out the thought that Ontario may be closer to a power shortage than is generally realized.

3. Mr. McCullagh informed Mr. Hepburn beforehand of the intention of attacking the Government's repudiation of power contracts, and in the subsequent assault on the owners of the newspaper by the Premier he recognizes "the acidic handiwork of the attorney-general," elsewhere referred to in the article as the "garrulous attorney-general."

Plausible Deductions

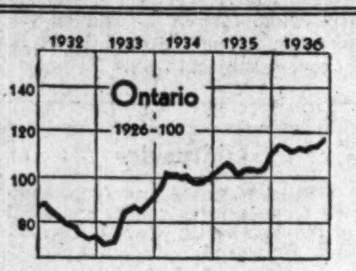
Plausible deductions are drawn from these statements by those who have been buyers of Beauharnois bonds. They suggest, first that Mr. Hepburn can now contend that the possibility of a power shortage has been discovered; and second, that he can say this has changed public opinion which now directs the Government to arrange new power contracts. Finally, it is suggested that the aiming of the editorial attack at Mr. Roebuck gives an opportunity to "promote" him out of the Government as the man responsible for the administration's mistakes.

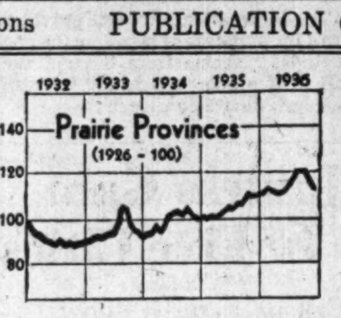
In brief, it is felt that the Globe and Mail attack will force Mr. Hepburn to retrace, in part at least, his repudiation step; and that the handwriting is on the wall for the author of the repudiation measures, Mr. Roebuck.

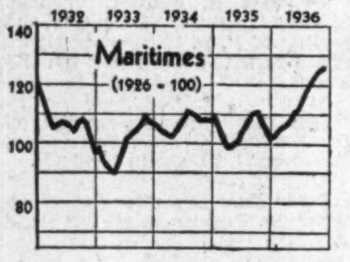
Possible Deals

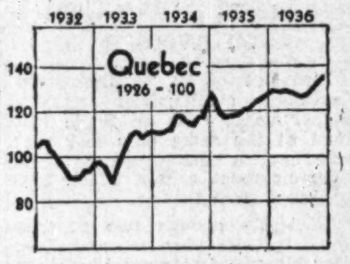
Among the possible new deals arising from a recasting of the Government's power policy one of the first that is expected is a compromise of some sort with Ottawa Valley Power Co., either to purchase all the company's power or to buy the company's half of the power plant at Chats Falls. The Ontario half already belongs to the Hydro. Such a deal would improve the Ottawa Val-

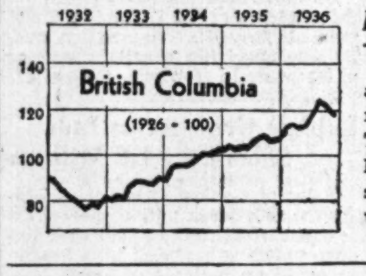
(Continued on page 2, col. 1)











DEPRESSION BEHIND

These charts of the five economic areas of Canada show the progress of recovery during the last five years. The regional indexes are now in higher territory than at any time since 1932. Details of the movement will be found on page 7.

National Income Rises To $410 Per Capita

Manitoba Reports Largest Gain of Any Province in 1936

The per capita national income of Canada amounted to $410 in 1936 according to preliminary estimates prepared for The Financial Post Business Year Book, 1937, which will appear early in January. This is an increase of 9.6% over the corresponding figure of $374 for 1935.

Ontario tops the list with per capita income of $540 although Manitoba has the largest relative gain over 1935. Per capita income in that province for 1936 is placed by The Business Year Book at $307—a gain for the year of 20.8%. Smallest gain for the year is in Saskatchewan where per capita income is higher by only 3.8% to $220.

Comparative Figures

Comparative figures for Canada and for each province follow:

	Total 1926 $ 000	Total 1935 $ 000	Per Capita 1936 $	Per Capita 1935 $
P.E.I.	18,635	14,938	203	170
N.S.	154,530	139,890	288	265
N.B.	103,172	95,853	237	223
Que.	1,150,246	1,094,027	372	338
Ont.	1,994,610	1,823,362	540	496
Man.	218,160	180,800	307	254
Sask.	204,980	197,826	220	212
Alta.	290,880	245,626	377	322
B.C. & Yukon	389,507	361,604	617	485
Canada	4,545,000	4,093,926	412	374

Total national income for 1936 according to preliminary figures is placed at $4.5 billions—a gain for the year of 10.4%. This is a preliminary figure and subject to adjustment as more complete returns are available.

Mining Largest Gain

Analysis of the total according to types of industry show mining with the largest relative gain. Productivity of that industry in 1936 is placed at $360 millions an increase of 15.4% over the corresponding figure for last year.

Detailed returns for chief industrial occupations in Canada follow:

Production of National Income of Canada (000's omitted)

	1926 $ 000	1935 $ 000	Incr. %
Agriculture	746,968	675,492	10.6
Forestry	214,760	180,462	19.0
Fisheries	35,461	34,428	3.0
Trapping	9,675	8,877	9.0
Mining	360,340	312,345	15.4
Electric Power	136,885	125,123	9.4
Total primary productions	1,504,087	1,336,727	12.5
Construction	131,400	126,947	3.5
Custom & repair	70,860	65,249	8.6
Manufacturers	1,467,673	1,351,448	8.6
Total secondary production	1,669,933	1,543,644	8.2
Less duplications	348,441	320,848	8.6
Net value of industrial prod.	2,825,581	2,559,923	10.4
Estimated national income	4,520,000	4,094,000	10.4

Tests Postponed On Carbureter

Adverse opinion in the United States on the carbureter is reported by Avern Pardoe & Co., Toronto Stock Exchange firm.

In a notice to clients entitled, "The Pogue Carbureter, U. S. A. Opinion," this firm states:

"Considerable interest was aroused in the U. S. A. concerning newspaper articles on the possibilities of the new carbureter.

"A careful check leads us to believe that opinion in the U. S. A. is to the effect that the probabilities of such a carbureter improving the car mileage to anything like 200 miles per gallon are practically nil, regardless of whether or not complete carburetion of the gas is obtained."

There have been no new developments in connection with tests of the Pogue carbureter recently. Tests were discontinued during the holidays and will not be resumed until after the New Year on the return of John E. Hammell from the Pacific Coast and Gordon Lefebvre, Hammell's engineer, at present out of Ontario, and Pogue himself who is said to be in Winnipeg.

Newsprint Hits Peak in 1936

3.2 Million Ton Output Sets New Record for Canada

Newsprint production in Canada during 1936 was in the neighborhood of 3.2 million tons. This was the largest amount ever produced by the industry in any one year and compares with the previous all-time record of 2.75 millions in 1935 and with the pre-depression record of 2.7 million tons in 1929.

The further advance in production brought in its wake many changes for the better. Confidence in the industry was enhanced. Newsprint bonds and stocks advanced several hundred per cent in value. Mill operations were stepped up to level of about 85% of effective capacity. Price increases were secured in both the United States and overseas markets. Gross revenues were appreciably higher. Net income also advanced, though the gain was not so pronounced owing to higher costs.

It is not expected that the increase in demand for Canadian newsprint will be as great in 1937 as was the case in 1936. There should be a gain, but the percentage increase may not exceed 5% or at the outside 10%.

Commencing with 1937, deliveries to the United States will be on a price basis of $42.50 a ton, or $1.50 a ton higher than in 1936. There is a possibility of a newsprint shortage, but it is not likely to be of such a size as to embarrass the consumers.

The actual and expected increase in gross revenues, arising from larger deliveries and better prices, will not be all "velvet" to the manufacturers. A further rise in newsprint costs, both on materials and labor, is certain for 1937.

C. N. R. Revenue Higher for 1936

From Our Own Correspondent

MONTREAL.—Preliminary estimates are that gross revenues of the Canadian National Railways for 1936 will total about $185 millions, or an increase of between $11 millions and $12 millions over 1935.

Up to the end of November the Government-owned system had a gross income of $169.4 millions.

Eastern Canada Air Lines Starts Service in Maritimes

Eastern Canada Air Lines Ltd., with headquarters at Moncton, N.B., has received permission from the Dominion Government to operate an air service in the Maritime Provinces and has started operations, according to official announcement.

The initial services will serve three routes:

1. Between Moncton and Saint John.
2. Between Moncton, New Glasgow and Halifax.
3. Between Halifax, New Glasgow and Charlottetown.

The company's fleet consists of five airplanes imported from England which have been assembled and tested at the Moncton airport.

Schedules Synchronize

Flying schedules have been arranged to synchronize with each other and also with train connections to central Canada. Delay in starting service for Sydney and other centres included in the earlier plans is stated to be due to the need for arranging emergency landing fields on the routes first.

Last month a block of stock of Eastern Canada Air Lines was offered publicly by Loughlin & McKenzie Ltd., Fredericton.

St. Lawrence Flour Mills Stock Split Approved

From Our Own Correspondent

MONTREAL.—Shareholders of St. Lawrence Flour Mills have approved a proposal to split the common stock three-for-one.

Under the plan put forward at the special meeting, existing 12,000 common shares of the par value of $100 each will be exchanged for 36,000 no par value shares.

In conjunction with the change, the company will increase its authorized capital to 50,000 common shares, so that 14,000 unissued shares will remain in the treasury after the exchange is effected.

Price Bros. Sale Raises New Fears

Pacona, Creditor, May Foreclose, Freezing Out Investors

ON BLOCK FEB. 3

From Our Own Correspondent

MONTREAL.—Forced settlement of the affairs of the bankrupt Price Bros. & Co. is seen in the announcement of a proposed judicial sale on Feb. 3, 1937, of the property and assets of the company by the Montreal Trust Co. on behalf of the bondholders.

Several weeks ago Pacona Ltd., as holders of practically all of the bonds, demanded, through the trustee, payment of principal and interest due on the bonds. The company failed to fulfil its part of the contract and foreclosure proceedings were started.

The general expectation was that an arrangement would be made by the company and Pacona which would forestall the necessity of a judicial sale. Strength was given this belief by the fact that an internal reorganization was proposed under which all liability in connection with the bonds would be met. It now appears that differences of opinion have developed between the group sponsoring the internal organization and Pacona and as the situation threatened to drag on indefinitely, Pacona has requested the trustee to put the mortgaged properties up for sale.

Differences on Deal

The differences between the two groups hinge upon the terms of the proposed new trust deed and the power contract. As is well known Pacona is in part controlled by Saguenay Power Co., formerly the Duke-Price Power Co., which had a contract for 100,000 h.p. from Price Bros. & Co. When the latter went into bankruptcy this contract was repudiated. The Saguenay Power contract is essential to the future welfare of Price Bros. In making a new contract, terms have not been acceptable to Saguenay Power.

Whether or not the company has the right to pay off bondholders and thus avoid sale of the mortgaged properties is a moot point. However, the judicial sale can be postponed or quashed if a settlement of differences is reached between the two parties before the date of the proposed sale.

Burton Denies Buying H.B.C.

Nothing in Rumor of Deal, Simpson Head Declares

From Our Own Correspondent

MONTREAL.—Negotiations looking to the transfer of the Hudson's Bay Co. retail stores in Western Canada to Simpsons Ltd. are officially denied by interested parties.

One report is that Wood, Gundy and Co. has been negotiating on behalf of Simpsons and in this connection it is said J. H. Gundy and C. L. Burton made a special trip to England to discuss the matter with H. B. C. officials in London.

C. L. Burton, president of Simpsons Ltd., denies that there are any negotiations now on behalf of Simpsons, while J. H. Gundy says: "Absolutely nothing in the story." Even stronger denial comes to The Financial Post from the Hudson's Bay Co. offices in London, England.

Lifting of U. S. Freight Surtax Aids Newsprint

From Our Own Correspondent

MONTREAL.—Discontinuance of the emergency freight surcharge on United States railways will mean a saving of between $750,000 and $1,000,000 to various Canadian newsprint manufacturers.

A surtax of 50 cents a ton was placed on all newsprint rail shipments entering the United States two years ago. As all freight charges to such pivotal points as New York and Chicago are included in the selling price of newsprint, the dropping of this surcharge means a corresponding saving to the paper companies.

Maritime Electric Co. to Raise More Capital

From Our Own Correspondent

MONTREAL.—Maritime Electric Co., control of which was acquired a month ago from American interets by Royal Securities Corp., will be in the market shortly with $400,000 of 5½% general mortgage debentures. This is in addition to $900,000 of first mortgage bonds which were offered to the public last October by Royal Securities Corp.

Hepburn Move Revives Cabinet Change Rumor

Cox Appointment Seen as First Step in Coming Shake-up

Premier Mitchell Hepburn's appointment of Hon. Charles W. Cox, Liberal member for Port Arthur, as minister without portfolio has revived recurrent rumors of a pending shake-up in the Ontario cabinet.

Mr. Cox, mayor of Port Arthur and former timber contractor, was elected to the legislature in 1934. The election was protested, but a bill passed at the subsequent session of the House successfully outlawed this and other pending court cases. He has been an ardent critic in the House of the Conservative timber policies and is understood to have been the man behind the gun in the contentious Forest Resources Act passed last session.

Those who are seeking a motive for Premier Hepburn's deviation from his policy of appointing no ministers without portfolio recall that Mr. Cox has been mentioned on many occasions as a possible successor to Hon. Peter Heenan, Minister of Lands and Forests, should the latter retire from the cabinet.

Premier's Denial

Mr. Hepburn himself has refused to comment on his action other than to deny any plans for a cabinet reshuffle. From other sources it is understood that the immediate reason for the appointment is to strengthen the Government's hand in its proposed investigation of timber activities under former régimes.

It is no secret that Mr. Heenan's expenditures in the now defunct northern development branch of his department have embarrassed Premier Hepburn. Dissension on this issue has been rumored almost as consistently as alleged disagreements between the Premier and his Left Wing attorney-general, Hon. Arthur W. Roebuck.

Despite these dissensions, however, cabinet changes in the immediate future are considered unlikely unless a major issue, such, for example, as the Government's future policy on Quebec power contracts, should lead to an open clash.

Needs United Front

The Legislature will be meeting in a little more than a month's time, and political expediency, it is pointed out, demands that Mr. Hepburn present a united front. It is known that the opposition are preparing a strong counterattack on the northern Ontario timber battle, and the absence of Mr. Heenan from the treasury benches, it is suggested, might easily provide a new weapon for the debate.

By the same token, whatever the development between now and the opening of the session, the Government can hardly avoid the perennial dress debate on Quebec power, and any early retirement of the attorney-general, chief champion of repudiation, would leave Premier Hepburn in an uncomfortable position.

Thus early cabinet changes in Ontario are not looked for. But political gossip is insistent that when Mr. Hepburn next faces the electors his cabinet will be entirely reconstructed. Among those missing, it said, will be Mr. Heenan and Mr. Roebuck. It suggested too that Hon. David Croll, Minister of Public Welfare and Municipal Affairs, who has carried the Government's policy of repudiation into the field of defaulting municipalities, may also have to be dropped. His policies have embarrassed the Premier, who as provincial treasurer has had to concern himself with the credit standing of the province.

Packard Sales At New High

Customary ranking of leading motor cars was cracked wide open in November due to inability of some manufacturers to supply the new 1937 models for immediate delivery. Thus Dodge and Plymouth ranked first and second in the tabulation of eastern Canada sales with Chevrolet and Ford in the unusual rôle of third and fourth place.

An interesting feature of the returns was that Packard sales in the month almost totalled those of Ford, the figures being 208 and 201 respectively.

Comparative figures compiled by Canadian Automotive Trade, follow:

New Passenger Car Registrations (In Eastern Canada)

	Nov., 1936	Nov., 1935	Year to date 1936	Year to date 1935
Dodge	751	379	7,845	6,019
Plymouth	641	351	7,441	6,319
Chevrolet	280	420	15,367	12,354
Ford	208	848	13,629	16,660
Packard	201	53	1,356	617
Oldsmobile	143	290	3,870	4,457
Terraplane	108	68	1,809	1,693
Studebaker	124	22	1,208	846
Chrysler	110	9	2,013	1,502
Pontiac	110	165	2,362	3,783

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Retail Sales Are Maintained

After adjustment for the number of Saturdays and Sundays in the month, retail sales in November rose 5.6% above the corresponding total last year. Ten types of stores showed higher sales on this basis, namely hardware sales, up 26%; boots and shoes, 13%; furniture, 10%; groceries and meats, 9%; men's clothing, 9%; variety stores, 9%; women's clothing, 6%; restaurants, 3%; drugs, 2% and departmental stores, 2%. Music and radio sales declined by 4%; candy sales 4%, and dyers and cleaners down 17%. Compared with October and September the index was slightly lower.

Other summary figures for the week follow. For further details see page 7.

		November	—Change— From prev. period %	From prev. year %
Monthly				
Auto Production:				
Passenger	No.	10,086	+119	—16
Trucks & buses	No.	726	— 5	—50
Elec. power output m.k.w.		*2,261,090	— 5	+ 5
Bank debits		*$3,302,562	—0.7	+ 9
Railway Earn.:				
C.P.R. net		$3,538,651	— 19	+ 2
C.N.R. net		$2,383,271	— 34	+ 2
Retail Sales		76.6	— .4	+ 5.6
Weekly:				
Car loadings	No.	48,279	— 3	+ 15
Cattle sales	No.	5,468	— 63	+ 35
Hog sales	No.	19,336	+ 30	+ 96

*000's omitted.

Highlights

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New Power

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Dom. Rubber	15	Regina	5
Dom. Anglo Inv.	4	Regent Knit.	10
Dom. Textiles	4	Robt. McNish	10
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Trade Exhibitions

Announcement has been made of the following dates for trade exhibitions scheduled for Toronto and Montreal during the next two months:

Toronto Furniture Trade Exhibition, Jan. 7 to 16;

Montreal Furniture Trade Exhibition, Jan. 5 to 20;

Montreal Home Furnishings Mart, Jan. 5 to 16.

Toronto Gift Show, Feb. 18 to 24.

Canadian Pulp and Paper and Engineering Exhibition, Montreal, Jan. 27 to 30.

Bain, Fennell Taking Over National Life

Most of Stock in Company Bought by Toronto Broker

NEW BOARD COMING

Control of the National Life Assurance Co. has been purchased by H. R. Bain and Robert Fennell, K.C., both of Toronto, The Financial Post is informed.

The deal was consummated at a meeting of the directors of the company Dec. 21 The meeting was adjourned, however, until the first week in January. At that time it is expected an official announcement will be made and a new board of directors announced.

No purchase price has been indicated but it is believed that 5,700 shares of stock are involved in the deal. Bulk of this stock has been purchased by Mr. Bain personally. Mr. Bain is president and general manager of the investment dealer firm bearing his name. It is expected that he will become president of the new board with Mr. Fennell (who in addition to heading the law firm of Fennell, Porter and Davis, is director of several important industrial and mining companies) as vice-president.

Shares that have been purchased are believed to be those represented by the holdings of A. H. Beaton, president and managing director of the company; his wife, Mary L. Beaton; Dr. Albert A. Macdonald, medical director of the company and those formerly held by the late Frederick Sparling, former managing director of the company. An official listing of shareholders published at the end of 1933 by the federal insurance department (prior to Mr. Sparling's death) showed these four with 5,691 shares distributed as follows: Mr. Beaton, 1,513 shares; Mrs. Beaton, 1,299 shares; Dr. Macdonald, 1,306 shares and F. Sparling, 1,573 shares.

National Life was incorporated in 1897 under federal charter. It has an authorized and subscribed capital of 10,000 shares of $100 par value on which $25 per share has been paid up. Directors of the company during 1936 were: A. H. Beaton, Dr. A. A. Macdonald, Toronto; Rt. Hon. George P. Graham, Brockville, Hon. Rodolphe Lemieux, Ottawa, and R. Emmet Cox, Montreal, representing shareholders. Col. A. E. Kirkpatrick, E. W. Bickle, of Toronto, and Hon. E. M. Macdonald, K.C., of Pictou, represent policyholders.

At the end of 1935 the company had total assets of $11.7 millions; and total insurance in force of $55.4 millions. Recent quotations of the price of the shares by dealers in unlisted securities have been $48.50 per share asked with no bid.

Rail Contracts Are Confirmed

Equipment Purchases for Both Lines Will Total $40 Millions

From Our Own Correspondent

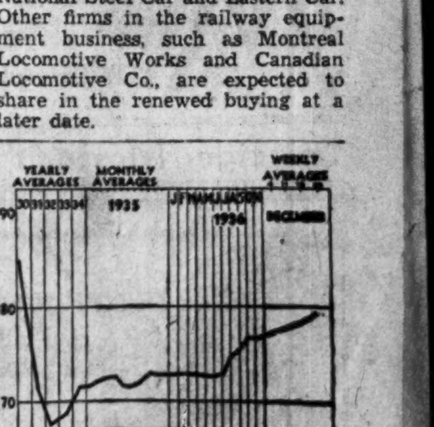
MONTREAL.—The report carried by The Financial Post that the Dominion Government would assist the Canadian National and Canadian Pacific railways in financing new equipment orders aggregating $40 millions, has been confirmed by Ottawa.

Tenders have been asked by the C.N.R. on some equipment. While official details are lacking, it is understood that the Government-owned system will spend on initial orders about $18 millions, largely on freight and passenger cars with some air-conditioned equipment, but no locomotives.

While the C.P.R. has not asked for tenders, that company is reported to be entering the market for about $5 millions of new equipment, a fair proportion of which will be for box cars.

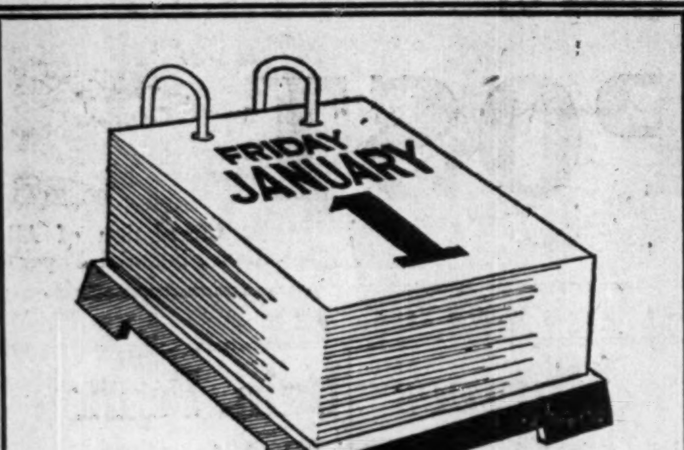
The manner in which the financing will be done has not been made public.

The placing of this business will be of the utmost importance to Canadian Car and Foundry Co., National Steel Car and Eastern Car. Other firms in the railway equipment business, such as Montreal Locomotive Works and Canadian Locomotive Co., are expected to share in the renewed buying at a later date.



PRICES HIGHER

Wholesale commodity prices advanced to 80.1 in the week ended Dec. 24 from 79.5 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.



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An Eaton Deposit Account will help keep you on a "balanced budget" in 1937. A convenient, speedy, and business-like method of shopping because it gives you a detailed statement of every month's expenditures . . . because it enables you to shop by telephone for sale items, including those advertised as "No C.O.D. orders accepted by phone or mail". Ask for full information at—

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Counting Room .... Second Floor
Service Bureau .... Main Floor
Cash Office .... Third Floor

College Street
D.A. Office .... Third Floor
Service Bureau .... Main Floor

T. EATON C° LIMITED

The Nation's Business

(Continued from page 1)

tinue with policies of such courage and high conception and its future as a great newspaper is assured.

* * *

IT IS to be hoped that Mr. Hepburn, when his first petulance at the "desertion" of his newspaper ally has worn off, will listen to its sage counsel. Mr. Hepburn has many of the finest qualities of statesmanship. He has plenty of courage; he knows how to get the public behind him even on unpopular policies such as the economies needed for budget balancing. If he will get rid of some of his bad advisers, and cabinet associates he can yet build a strong Government out of his administration.

Mr. Hepburn will need to rally public support around him on his stubbornly constructive policies such as budget balancing, and—let us hope—a revision of the power contracts, if he is to win the next election. Provincial politics in Ontario are more sensitive to religious issues than to any other. All broad-minded citizens hope religious issues can be kept down. But unless Mr. Hepburn can make the people like him for the economic and social phases of his Government programme the next election will be fought on bitter, narrow sectarian issues, with prejudice running rampant. In such an election Mr. Hepburn might not stand much chance of being elected. Thus sheer pragmatism and even opportunism are on the side of justice in the challenge that is offered to Ontario's Premier to take the honest stand on the power issue that The Financial Post has long urged him to take and that the new Globe and Mail is now pressing upon him.

* * *

The Question That Will Not Down

SUNDRY persons telephoned the editorial offices of The Financial Post this week to deny indignantly that they had made any profits on the "power" bonds that have fluctuated violently during the period of the Ontario Government's many and often curious moves on contract cancellation.

It so happens that The Financial Post had not accused any of these much-agitated persons of having benefitted from inside knowledge of the Government's plans. The Post has merely asked who made the profits in the rather formidable movements that have occurred in the several issues. It still regards that as one of the questions that will not down.

The Ontario Government's attack on the companies, its negotiations with them, its long-delayed proclamation of the cancellation legislation, its signing of some new contracts, these and other events have made for nervous markets and wide swings in prices.

Huge profits have been possible to those who knew what was coming next.

It may be argued that because insiders were in a position to make big profits it does not follow that they did. That is true. There are a great many men in public and official life in Canada who would never be suspected of playing the markets with inside information.

Income Tax Problems

I received a small amount from my mother's estate when she died in 1935. In making out Dominion income returns for that year, I did not report this amount, regarding it as capital, not income. Should I have reported it as income?

—

The Income War Tax Act provides that, for purposes of taxation, income includes "income from but not the value of property acquired by gift, bequest, devise or descent."

Consequently, if the amount you received from your mother's estate represented capital only, you were justified in omitting it from your return to the Government. On the other hand, if there is any "income" feature at all about the bequest—for instance, if it is the yield from a trust set up by your mother—it is taxable Sometimes, the assets of an estate are unrealizable for a certain period, and meanwhile interest is paid on the principal amount. Such interest is, of course, subject to tax.

Friendly, helpful banking service . . . backed by the experience, resources, organization and reputation of 119 years of successful banking operation.

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL
ESTABLISHED 1817
HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF $800

Claim Hydro Will Rearrange Contracts

(Continued from page 1)

ley Power 5½% bonds which have been selling around 90.

The Ottawa Valley suit against the Hydro and Mr. Roebuck is now on its way to final hearing before the Privy Council. The Supreme Court of Ontario ruled that the Government's cancellation of contract was ultra vires in this case. As a result of the situation of the suit the Government is to give serious consideration to the problems in the Ottawa Valley case.

Another suggestion is that the Hydro arrange future scale deliveries from Beauharnois Light, Heat & Power Co. and Maclaren-Quebec Co. to meet growth of the Ontario Hydro's power load. Ontario officialdom, however, is silent on the possibility of new power contracts.

Listed Bonds

Week Ended Dec. 28, 1936

	Int rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50¼	..	51¼	50
McNish	6	'48	3.74	..	4.00	3.00

FEATURES
in the January issue
THE CANADIAN CHARTERED ACCOUNTANT

Economic Design for Building
Advantages of Budgets
Hospital Departmental Accounting
Monetary Misconceptions
Investment Trusts
Why Should Tax Legislation Promote Inefficiency?
Loans to Shareholders—A Court Case

Published monthly, $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

Aircraft Shares Rapidly Absorbed

50,000 Shares of Fleet Aircraft Sold at $11.50 a Share

From Our Own Correspondent

MONTREAL.—An offering of 50,000 shares of stock in Fleet Aircraft Ltd. by Nesbitt, Thomson & Co. has been heavily oversubscribed at $11.50 a share.

Fleet Aircraft has been in operation since 1930, being closely identified with Consolidated Aircraft Corp.

In order to take care of this expansion, the authorized and issued capital stock has been increased from 10,000 to 100,000 shares, of which 90,000 shares are outstanding. Of the additional stock 50,000 shares have been sold by Nesbitt, Thomson & Co., bringing control to this country.

50,000 Shares
No par value
FLEET AIRCRAFT LTD.

Capitalization: Authorized Outstanding
Common, n.p.v. .. 100,000 shs. 90,000 shs.

Company—Operates a plant at Fort Erie, Ont., for the manufacture of airplanes. Company has a working agreement with Consolidated Aircraft Corp. of the United States, and has certain exclusive rights to Consolidated's products for distribution in the British Empire.

Earnings—During 1933 the company had net loss of $9,280; in 1934, a net loss of $7,694; in 1935, profit of $34,785; and for ten months ended Oct. 31, 1936, a profit of $16,390. The latter figure includes estimated profit on work in progress covered by sales contracts.

Management—Directors: Air Vice-Marshal W. A. Bishop, Major R. H. Fleet, J. M. Gwinn, Jr., H. H. Horsfall, John Irwin, E. G. McMillan, K.C., A. J. Nesbitt, Captain W. J. Sanderson and M. A. Thomson. Captain Sanderson is president; E. G. McMillan, vice-president, and H. E. Langford, secretary-treasurer.

Financial Position — Pro forma balance sheet as at Oct. 31, 1936, shows assets totalling $1,138,209, of which current items amount to $488,591; property $538,408; design, manufacturing and selling rights $110,000; investments and deferred charges, the balance. Current liabilities total $246,374.

Offered—50,000 shares at $11.50 a share by Nesbitt, Thomson & Co.

Howard Smith Listed

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has listed 1,828 additional shares of preferred and 493 additional common shares of Howard Smith Paper Mills Co.

Company Reports

Kelvinator of Canada

Kelvinator of Canada Ltd. reports earnings equivalent to $68 54 a share on the 7% preferred stock and $3.05 a share on the common for the year ended Sept. 30, 1936. These compare with figures of $21.56 and 72 cents respectively in the preceding year.

The initial common dividend of $1.25 a share and write-off of $130,678 of goodwill in the balance sheet of the subsidiary English company still left an increase of nearly $25,000 in earned surplus. The net improvement in liquid position was nearly $149,000. One striking feature of the earnings report is that although gross profits increased about $293,000 the rise in expenses was relatively negligible, except for income taxes.

Consol. Income and Surplus Account
Years Ended Sept. 30

	1936 $	1935 $
Gross profit	898,400	605,407
Add: Sundry net inc.	19,972	......
Less: Sellg. & op. exps.	409,275	400,827
Directors' fees	2,982	2,354
Exec. salaries	44,729	42,075
Legal fees	2,655	1,575
Depreciation	21,782	22,454
Other net deducns.	......	498
Inc. taxes	96,966	28,677
Net profit	339,983	106,947
Less: Pref. dividends	34,720	34,720
Common dividend	125,000	......
Surplus for year	180,263	72,227
Add: Prev. surplus	137,499	86,070
Res. not required	......	4,094
Less: Amt. w/o gwill, etc., of Kelvinator Ltd., Eng., to £1	130,678	......
Trans. to cap. surp.	24,892	24,892
Surplus forward	162,192	137,499

Working Capital

	1936 $	1935 $
Current assets	992,939	695,593
Current liabilities	285,817	137,115
Working capital	707,122	558,478

Burry Biscuit Corp.

Burry Biscuit Corp. reports net profits for the period Jan. 11 to Oct. 31, 1936, equivalent to $14.48 on each $50 preferred share and 31 cents a share on the common stock. Joint operations of the company and subsidiaries as now constituted commenced Jan. 11, 1936, and this is the first annual report. George W. Burry, president, however, states that for comparative purposes net profit before taxes for the 52 weeks ended Oct. 19, 1935, was $67,162, compared with $181,507 in the 54 weeks ended Oct. 31, 1936. Sales for the 1936 period were slightly more than double those for the 1935 period. Recent increase in capacity of the Linden, N.J., plant, and the natural growth of the business, are expected to further expand sales in the coming year, Mr. Burry states.

Net income is shown before allowing for U. S. taxation of undistributed profits of subsidiaries for four months, which cannot be determined for several months.

Working capital position is comfortable and includes $208,000 worth of Government bonds.

Consol. Income and Surplus Account
Jan. 11, 1936, to Oct. 31, 1936

	$
Gross inc. from operations	188,763
Add: Discts. rec. on purchases	12,920
Interest	2,014
	203,697
Less: Cash discts. allowed	18,338
Organ. and devel. exps.	8,755
Interest paid	840
Miscellaneous	2,158
Prov. for Federal inc. tax	23,714
Net income	149,892
Less: Portion applic. to minor. int. of subsidiary	5,267
Net profit	144,625
Less: Preferred divds.	*19,500
Surplus for period	125,125

*Comprises dividends on 6,000 shares outstanding as at Apr. 1, 1936, and on 10,000 shares subsequently.

Working Capital

Current assets	503,865
Current liabilities	176,910
Working capital	326,955

Vancouver Western Drug

Vancouver Western Drug Co. reports net profits of $38,397 for the 16 months ended Sept. 30, 1936, equivalent to about $9.25 a share on the 6½% preferred stock. Dividend requirements for the period were about $8.66 a share. In the 12 months ended May 31, 1935, net profits were $21,809 or about $5.55 a share. Working capital at Sept. 30, 1936, was 262,869 compared with $264,190 at May 31, 1935.

Lower St. Lawrence Power

Lower St. Lawrence Power Co.'s quarterly statement for the three months ended Sept., 1936, shows total revenue of $70,334, bringing the cumulative returns for the year to date to $198,784. Comparative figures for the previous year are not available, but the company reports that the trend of income has been upward.

Income and Surplus Account

	3 mos. ended Sept. 1936 $	9 mos. ended Sept. 1936 $
Operating revenue	66,731	190,933
Other income	3,603	7,815
Total revenues	70,334	198,748
Less: oper. exp.	29,224	79,660
Maintenance	3,813	7,149
Bad debts	......	330
Net earnings	37,296	111,609
Less: Taxes	2,893	9,250
Net revenue	34,404	102,358
Non operating inc.	1,283	4,475
Total income	35,687	106,833
Less: Depreciation	9,000	27,000
Interest on debt	17,810	53,908
Int. on open accounts	1,126	3,308
Misc. interest	201	459
Bal. for res. and divs.	7,550	22,158

B. C. Is "Cashing In" On U. S. Ship Strike

From Our Own Correspondent

VANCOUVER—With shipping at a standstill at all American ports on the Pacific coast during the past six weeks, British Columbia has had a golden opportunity to cash in on business that otherwise would have been handled elsewhere. Rising freight rates, however, may prevent its full realization.

Charter rates have risen sky-high and this tendency has caused many overseas buyers to think twice before placing orders in this territory. The rate on lumber, which was about 38 shillings a standard last April, is now more than double that figure, with every indication that it will go still higher.

Most of the space for lumber shipments to the United Kingdom has been protected, but shippers here will experience a good deal of difficulty in selling to Australia, South Africa and other remote markets after the turn of the year unless rates come down.

The basic cause of the trouble is shortage of ships. Ever since the war years shipbuilding has declined, and many of the ships turned out during the war and the period immediately afterwards were hastily constructed and their life was short.

Central Electric Output Is Up for November

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada produced more electricity in November than for the same month a year ago, but there was a moderate decline as compared with Oct., 1936, due to the extra Sunday and shorter month.

Deliveries of secondary power, or power delivered to electric boilers, increased from 618 million kw.h. in October to 654 million kw.h. in November.

For the first 11 months of 1936, the central electric stations produced 23,167 million kw.h., compared with 21,247 million kw.h. for the corresponding period of 1935.

King Edward Hotel Advertised For Sale

Having received court permission National Trust Co. trustee, and manager of the King Edward Hotel Toronto, has advertised this property for sale. No formal offers, it is understood, have yet been received and due to the peculiar situation with Metropolitan Life of New York holding the land and buildings and bondholders, the furnishings and name, it is expected that any negotiations will be protracted.

Jobless Gain In Five Cities

Census Figures Show Decline of 20 Per Cent on Average

Five out of 32 "medium-sized" Canadian communities reported higher relief rolls on Sept., 1936, than at the same date last year, according to belated returns of the unemployment census which have appeared from Ottawa.

Curiously enough two of these municipalities—Oshawa and Thetford Mines—are communities where industrial activity is currently at a high rate. It is presumed the census figures were taken at a time of seasonal lull. Other communities with higher figures are: Sault Ste. Marie, Brandon, Medicine Hat.

Communities for which comparative figures are available, follow:

Number on Direct Relief in 32 Cities of 10,000 to 25,000*

	Sept. 1936	Sept. 1935	Sept. 1934
P. E. I.—			
Charlottetown	128	322	178
N. S.—			
Glace Bay	811	937	1,312
Sydney	616	840	1,686
Que.—			
Chicoutimi	7,059	7,584	7,700
Shawinigan Falls	2,800	4,188	4,217
Sorel	1,397	1,643	1,730
Thetford Mines	817	593	525
Ont.—			
Belleville	752	1,044	1,220
Chatham	685	914	1,327
Galt	720	795	1,342
Guelph	2,301	2,607	1,310
Kingston	1,130	1,739	1,897
Niagara Falls	2,952	3,754	4,062
North Bay	906	1,778	1,556
Oshawa	3,512	3,417	3,284
Owen Sound	548	1,074	1,131
Peterborough	1,614	2,137	2,380
Port Arthur	1,161	2,062	873
St. Catharines	3,097	3,850	3,692
St. Thomas	789	1,174	1,549
Sarnia	403	986	964
Sault Ste. Marie	2,321	1,826	2,385
Stratford	1,177	1,786	1,594
Sudbury	694	2,410	2,068
Welland	578	1,059	946
Woodstock	253	336	247
Man.—			
Brandon	2,258	2,064	2,226
St. Boniface	2,644	2,910	3,267
Sask.—			
Moose Jaw	3,837	3,926	4,266
Alta.—			
Lethbridge	1,608	1,727	1,876
Medicine Hat	490	90	107
B. C.—			
New Westminster	1,343	1,991	1,939
Total— (For 32 cities)	51,400	63,583	64,856

*These are persons toward whose cost the provinces and dominion contribute.

Editor's Note.—In a previous reference to municipal relief statistics issued by the National Employment Commission (The Financial Post, Nov. 28) it was implied there was an increase in the numbers on relief in the larger cities. The actual reduction in these 22 communities was 6.4% compared with Sept., 1935. The number on relief in these larger cities represents about 63% of those on direct relief in Canada and 51.3% of all relief (that is including farm relief).

Upper Lakes Transport Buys Steamships Fleet

Upper Lakes and St. Lawrence Transportation Co., Toronto, has purchased the remaining 10 freighters of the fleet of Eastern Steamships of Port Colborne. Purchase price is understood to be in the neighborhood of $600,000.

Last spring 10 other vessels were purchased from the same company. These acquisitions bring the Upper Lakes and St. Lawrence fleet up to a total of 26 boats, the bulk of which are engaged in carrying grain coal and pulp wood.

Though the headquarters of Eastern Steamships is at Port Colborne the company is largely owned by Buffalo capital. Upper Lakes and St. Lawrence is a private company.

Can. Int. Trustee Shares Pays Dividend January 1

From Our Own Correspondent

MONTREAL.—General Trust Co. of Canada announce that a distribution of $0.10587 per share was made on January 1, on all modfied certificates and a distribution of $0.10081 per share on all original certificates outstanding of Canadian International Trustee Shares.

These amounts represent regular and extra cash dividends paid for the six months' period by the corporations whose common stock constitute the fixed portfolio, plus the interest on the reserve fund and adjustments on U. S. exchange.

Maritime Telephone Co. Expands Operations

From Our Own Correspondent

MONTREAL. — Montreal Telegraph and Telephone Co. report 125,588 completed long distance calls during November, an increase of 7,325 calls over the same month last year.

The number of stations installed on the company's system at the end of November totalled 39,411, a net gain of 67 during the month. The Island Telephone Co., a subsidiary, reported a decrease of two stations to 4,145.

Potter Elected to Curb

From Our Own Correspondent

MONTREAL.—T. G. Potter, one of the senior partners of Flood, Potter & Co., members of the Montreal Stock Exchange, has been elected a member of the Montreal Curb Market.

Obituaries

William H. Heard, prominent western Ontario industrialist, and head of the Norsworthy Co., St. Thomas, Ont. He was 78.

* * *

Frederick B. Housser, financial editor of the Toronto Daily Star, and brother of H. B. Housser, president of the Toronto Stock Exchange. He was 47.

* * *

John Clarke Stanton, manager of the Montreal division, Sun Life of Canada, at his home in Montreal.

* * *

Percy Jamieson, managing director of the Thoburn Woollen Mills, at Almonte, Ont.

* * *

Lt.-Col. Frederick Massey, one of the founders of the Dominion Commercial Travellers Association and its sole surviving charter member, at his home in Montreal. He was 87.

Loblaw Groceterias Ltd. Sales Up $1.2 Million

Sales of Loblaw Groceterias Ltd. for the four-week period showed an increase of $226,272 or 17% over the corresponding period of 1935. Profits recorded an increase of $7,967.

In the 28 weeks ended Dec. 12 the company reports that sales have totalled $9,541,076, an increase of $1,219,300 over the corresponding period of 1935. This increase in sales is reflected in higher profits which have advanced $53,659 to $439,840.

Bus Franchise

From Our Own Correspondent

MONTREAL. — Three Rivers Traction Co., subsidiary of Shawinigan Water and Power Co., has been given a new contract to operate a bus service within the city limits for a period of 10 years, effective Jan. 1, 1937. On the expiration of the new contract the company is given preferential claim for renewal.

Telephone Rates

From Our Own Correspondent

MONTREAL.—Island Telephone Co., subsidiary of Maritime Telegraph and Telephone Co., has made application to the Prince Edward Island Public Utilities Board to place telephone rates throughout the Island on the same scale as rates in Nova Scotia and New Brunswick.

$5000 policy

for a few cents a day

DO you realize that you may obtain a $1,000 20-Pay Life policy for less than 10c a day if you are under 40 years of age, and larger amounts at proportionate rates? (Over age 40 the amount is slightly increased.) You can also have other plans which may be more suitable and which require correspondingly small deposits.

Think of the five and ten cent pieces you spent last week—can you remember where they went? Of course you can't! Yet these same small amounts placed in Mutual Life of Canada policies will grow through the years to substantial sums.

Money earns money for you in The Mutual Life of Canada. The Company is owned by the policyholders. You share in all the profits when you own a Mutual Life policy. The Company has distributed surplus earnings of $66,000,000 in dividends, has paid over $200,000,000 to beneficiaries and today has assets of over $156,000,000.

Isn't this worth investigating—an easy, interesting way to *save,* plus life insurance *protection* for your wife and family? Just get in touch with the nearest branch, or write head office at Waterloo for full details.

MUTUAL LIFE OF CANADA
Established 1869
Head Office - Waterloo, Ont.
OVER 150,000 PEOPLE ARE INSURED IN THE MUTUAL LIFE OF CANADA FOR $535,000,000.

The Mutual Life Assurance Company of Canada, Waterloo, Ontario.
I can save about .... per day. Please tell me (without obligation) how much life insurance this will purchase.
Name
Address
Age

Toronto Offices:
Canada Permanent Bldg. ELgin 4356
Toronto Star Building ELgin 8372

Visit TITANIA'S Fairy PALACE!

See the miniature royal mansion which has been the means of raising thousands of dollars for crippled children because so many people throughout the Empire have wanted to see its exquisite workmanship and fascinating details. The great intrinsic value of the tiny furnishings and the masterly craftsmanship of the palace's construction make it an exhibit you should be sure to see. It will be on display in Arcadian Court for a month: proceeds from its showing go to aid the work of the Rotary Club of Toronto on behalf of crippled children. (Admission 25c for adults — 10c for children).

Above is shown the Hall of the Fairy Kiss, where hang portraits of Queen Mary and Queen Alexandra. Among its treasures are an Italian Renaissance faun in bronze and two Chinese vases of the Ming period.

Simpson's
Arcadian Court
Ninth Floor

Offers to Be Considered For Prince Edward Hotel

A judicial sale of the Prince Edward Hotel Co. of Windsor (formerly Border Cities Hotel Co.) has been advertised and a meeting of the bondholders has been called in Windsor for Jan. 29, 1937 to consider any offers received. It is believed that at least two serious offers are impending.

G. S. HOLMESTED
Licensed Trustee in Bankruptcy
Liquidator, Receiver, Etc.
McKINNON BUILDING - TORONTO, ONT.

WANTED—A SALES MAN(AGER)

Emphasis on the Salesman! He must know Quebec Province and the financial business, thoroughly—perhaps he is now employed and successful in a smaller sphere of activity, but seeking real opportunity such as that now offering in the Montreal branch of our client's international organization. He must be a producer himself and have the ability to build a producing organizaton around him. A good financial connection in Quebec Province would be an asset. His past record must stand the closest scrutiny—his future is limited only by his own efforts. Give a short resume of experience and earnings over the past few years and an idea of salary or remuneration expected. (Our client's staff knows of this advertisement.) Apply in first instance to:

McCONNELL, BAXTER & EASTMAN LIMITED
1010 St. Catherine Street West, Montreal, Que.

LEIPZIG SPRING FAIR 1937
Beginning 28th February
60% Reduction on German Railways
For Full Particulars Please Apply to:
C. G. H. SCHAEFER
27 Wellington St. E., Toronto Tel. EL. 0618
Leipziger Messamt / Leipzig / Germany

THROUGH SLEEPING CAR
TORONTO TO WEST PALM BEACH AND MIAMI

A special air-conditioned Seaboard Air Line through sleeper will leave Toronto 6 p.m. Sunday, January 10, and will be attached to Orange Blossom Special at Washington. Reservations may be made by those desiring to take advantage of this special through car. Kindly communicate with H. E. Heal, Pennsylvania Railway, 69 Yonge St., Toronto, ELgin 7220, and arrangements will be gladly made.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Charlottetown	Dec.	Royal Securities Corp.	3½%	20-yr.	$2,750	100.31	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Granville Oils	Dec.	Direct	....	....	85,000 shs.	$1	....
Fleet Aircraft	Dec.	Nesbitt, Thomson & Co.	....	....	50,000 shs.	11.50	....

Aberhart Moderates Ready for Showdown

Bewildering Events in Alberta Interpreted as "Right Wing" Ministers in Cabinet Taking Initiative for Change in Policies

From Our Own Correspondent

EDMONTON.—Strange year-end developments in Social Credit politics have left the public guessing at the meaning of a series of remarkable moves by ministers.

Premier William Aberhart obviously has plenty of trouble on his hands within his own cabinet, but he has not yet been willing to let the public in on the secret.

No More Experiments

Pending official information to clear up mysterious aspects, the only explanation that fits the known facts is that the right wing element in the Aberhart cabinet has taken the initiative in bending the policies of the Social Credit Government to their point of view—which can be summed up as frank measures to restore confidence and no more experiments.

Here is what is known of the "Christmas crisis" in Edmonton:

1. The news got out, apparently with aid of a hint from high places, that Hon. C. C. Ross was resigning, had resigned, or threatened to resign.
2. Mr. Ross would say nothing.
3. Premier Aberhart, on holiday at Vancouver, would say nothing.
4. Mr. Ross remained, meanwhile, on the job as minister of mines.
5. Other ministers said nothing, inferring they did not know what was happening.
6. Hon. J. W. Hugill, acting premier, suddenly departed for Vancouver "for a holiday," undoubtedly to consult Mr. Aberhart.

Mr. Ross apparently acted on his own, had no understanding with other ministers. But it is remembered other right wing or moderate ministers, such as Mr. Hugill, Hon. C. Cockroft, and Hon. W. N. Chant, were reportedly ready to stand out for calling a halt to risky economic experiments, in favor of repairing Alberta's finances.

The moderates were reported getting ready for the inevitable showdown, either in the next Social Credit caucus or in the legislative session.

Dinning As Adviser

Evidence of activity among the moderates was seen in the unconfirmed rumor that R. J. Dinning, liquor commissioner and former bank manager, would be called in as Government adviser on finances.

Till Mr. Aberhart and Mr. Hugill get back from Vancouver early in January, possibly with their minds made up, little to clear up the mystery is anticipated.

Opposition party members began calculating chances of having to make rush preparations for an election, but there was little to indicate the Government was in danger through a Ross-Aberhart rift. Mr. Ross himself commands little or no following in the Social Credit party.

The press took great pains to get to the bottom of the story. Mr. Ross and Mr. Aberhart were given ample opportunity to confirm or deny the report.

On long distance telephone to Vancouver, Mr. Aberhart said: "I don't want to be bothered with it. I came out here for a holiday."

They Won't Talk

Word finally came back from Vancouver that Mr. Aberhart would not come to the telephone. Other members of the cabinet referred questions to Mr. Aberhart. It was understood most of them knew nothing about it except what they read in the papers.

Behind the scenes it was apparent that the climax which has been brewing for months was coming to a head rapidly. Mr. Ross is not a Social Crediter at all. A former employee of the federal mines branch who joined the Social Credit Government on invitation of Mr. Aberhart, he was given the task of encouraging development of Alberta's oil and mineral resources.

It is known he has made a strong stand privately against Aberhart contract violations, which have hampered the growth of investment in the Turner Valley oil field and elsewhere. While there has been a growing conviction that the differences between Mr. Aberhart and Mr. Ross, as well as between Mr. Aberhart and other "right wing" ministers, were irreconcilable, the possibility was recognized that Mr. Aberhart might decide to return to the path of orthodoxy and throw his weight on the side of the right wing.

Selection Not Welcomed

The inclusion of Mr. Ross in the cabinet has been a source of irritation to Aberhart party members who consider themselves "real" Social Crediters. While this criticism has not come out into the open, it was bound to sooner or later. Recent developments will likely cause repercussions within the party, and there is some mention of this already.

Social Credit members will meet in caucus Jan. 12 at Edmonton, and their deliberations will clarify the question whether or not the Aberhart Government is in danger of collapse. The 1935 election gave Social Credit an overwhelming majority in the legislature, and only wholesale defections will endanger the Government. The original Aberhart majority was 48 in a house of 63 members, including the speaker. While factions exist within the Social Credit party, the comparative strength of each remains unknown.

There is general agreement among observers that Mr. Aberhart, if he chooses to return Alberta to the pathway of orthodoxy, will face a fight within his party which might well lead to his overthrow. The possibility is considered that he may choose voluntary abdication.

The Aberhart Government has been silent and inactive for so long now, that assurances it was proceeding with its Social Credit plans have ceased to be heard, much less believed. When H. E. Ingrey, M.L.A. for Drumheller, recently assured unemployed that dividends would be paid within the 18-month period, that is by March, his assurance was deleted from the report published in The Albertan, official Government journal.

HON. C. C. ROSS

South Africa Enjoying Wide Business Gains

Outstanding success has attended the Johannesburg Empire Exhibition held this autumn in South Africa. The total cost of the exhibition will run approximately \$2.5 millions, providing a daily attraction for an average of about 10,000 people. Many Canadian manufacturers have attended the fair.

Observations of South African progress during 1936 indicate prosperity "seems to know no bounds." Government finances and railway revenue all again show a substantial surplus; wool farmers are receiving higher prices than for many years, due in part to the Japanese entering the market as a result of trade difficulties with Australia. Motor car imports, thought to have reached a peak in 1935 will show at least a 25% increase.

Due to partial failure of the maize crop, owing to drought, there will be no maize exported to Canada this year, which will throw a very heavy balance of trade in favor of Canada.

Quebec Gold Mining Abandons Whitney Option

From Our Own Correspondent

MONTREAL.—Quebec Gold Mining Corp. has abandoned its option on the North Whitney Mine, on the recommendation of its engineers, according to a notice sent to the Montreal Curb Market.

U.F.A. Group Rises Again From Defeat

May Present Another Threat to Aberhart in Alberta

A LONG FURROW

From Our Own Correspondent

LETHBRIDGE.—It was in 1909 that the farmers of Alberta put their hands to the plow of social and economic pioneering. Since that now historic meeting in Edmonton they have plowed a long furrow and the New Year will bring their forces together once more to scan the field that lies ahead.

Look backward to 1909 for a moment. It was in January of that year that two struggling groups of agrarian folk, the Canadian Society of Equity and the Alberta Farmers' Association got together. They had been friendly rivals for a number of years, each in its way trying to guide the farmers into a sounder economic life. The futility of competitive action was seen, a conviction that resulted at that Edmonton convention in the launching of the United Farmers of Alberta.

This was the beginning of the agrarian movement in Alberta politics.

Successful at Polls

At the end of that first year there were 122 locals scattered through the province with a membership of 2,147. A plunge into politics back in 1921 swept the farmers into power at Edmonton and sent to Ottawa a U.F.A. group who became the spearhead of the Leftist element in parliament.

Outstanding among the men who have led the United Farmers of Alberta was Henry Wise Wood, variously known as the "grand old man" or the "Foxy Grandpa" of the movement. He is Dr. Henry Wise Wood now, no longer president of the organization he saw expand into a national force but still chairman of the Alberta Wheat Pool.

Wood stood for organization on the economic group basis, and in the early days he professed to fight shy of politics. But the day of political action came and with it sweeping victories at the polls. Wood was offered the premiership. His critics who called him a selfish opportunist, an autocrat, an overlord, said he would take the post. They were wrong. He let plodding, honest Herbert Greenfield, a British immigrant, take the job. He stayed with the U.F.A., stayed with it until Robert Gardiner, bachelor M.P., who pried the lid off Beauharnois, succeeded to leadership.

Gardiner is still there although no longer an M.P., for in the meantime politically erratic Alberta has replaced the U.F.A. with Social Credit.

What of Tomorrow?

But what of the U.F.A.? Has the long furrow started back in 1909 by those rugged, farmers who dreamed of a "New Deal," come to its end? Was it killed by that chain of circumstances that clouded the closing days of the Brownlee Government? Was it killed by the C.C.F.?

Folks in Alberta have their own views, but as for the future of the U.F.A. there is a slowly rising feeling it may yet be heard from.

No party ever got a worse drubbing than did the United Farmers at the hands of Mr. Aberhart and his Social Credit clansmen. But time brings its changes, and today in Alberta the old U.F.A. spirit is popping up here and there. Well-attended conventions are being held, talk of continuation as a political group is strong and important things are forecast for the January provincial convention.

Gardiner is out among the people again, telling why he thinks Social Credit is a bubble on the verge of bursting and why the U.F.A. should be kept intact so that the lost sheep may again find the fold.

"This is an educational tour I am making," Mr. Gardiner said recently. "I think our people should be told the facts about credit and money in contrast with the fanciful ideas propounded by the leaders of this new movement.

"I tell them the only way to increase purchasing power is by increasing production. I tell them too that money and credit cannot be created by a fountain pen or a printing press, that banks have their limitations in the issuance of money. And I find everywhere that they are listening." Of the "United Front" move he was silent.

After Aberhart—What?

All through the country U.F.A. locals are bestirring themselves though there are many vacant chairs in the old meeting places. The rust on the plow is disappearing.

"After Aberhart—What?" Much will be revealed in the approaching convention. Alberta is watching and waiting, and chief among the watchers is Mr. Aberhart.

The forthcoming convention will decide whether the U. F. A. will remain in politics or continue as a farmers organization, pressing the agrarian point of view on all parties.

ROBERT GARDINER

Winnipeg Suburbs Plan Refinancing

Adjustments to be Made on Basis of Ability to Pay

Definite steps to solve the financial problems of the suburbs of Greater Winnipeg by cancellation of accumulated arrears of interest on their funded debt and by lowering interest rates will be taken early in 1937, according to W. C. McKinnell, supervisor.

There will be no sweeping cancellation of interest arrears or reduction of rates, according to Mr. McKinnell, but individual settlements will be made based on ability to pay. New interest rates will probably be 3% or less.

Improvement In 1936

With the exception of St. Vital there has been definite improvement in the financial position of Winnipeg suburban municipalities during 1936, tax collections increasing. In St. Boniface, tax collections amounted to 95% of the levy. St. Vital was the only suburb where tax collections declined. If tax collections continue to show improvement and interest rates are revised downward most of the municipalities will be able to fulfill their obligations, Mr. McKinnell believes.

Referring to Transcona Mr. McKinnell states there may be some difficulty in securing the consent of the municipal authorities to a refunding plan. The town has not made an interest payment for five years and there is a strong and determined opposition in the council against any such payment being made. Transcona has a bank surplus of \$80,000 which those who favor repudiation claim should be spent on local improvements. Actually, Mr. McKinnell states, the town is not in need of much in the way of additional local improvements.

Grumbling Heard In Saskatchewan

Government Facing Minor Revolt in House—Voters Demand Action

From Our Own Correspondent

REGINA.—The Liberal Government of Saskatchewan is facing the possibility of a reduction in the numbers of back bench supporters and an equivalent increase in the opposition at the coming session unless there is improvement in the general debt situation.

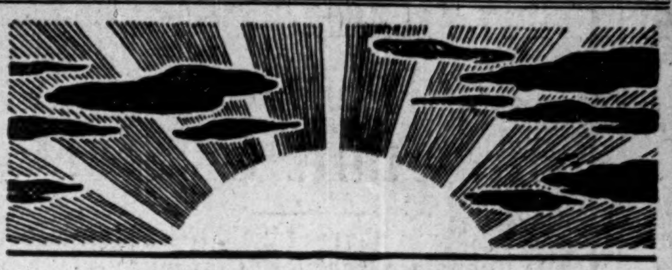
Since the opposition at present is composed of five C. C. F. members the situation can hardly be regarded as a political crisis. Nevertheless it is giving Premier Patterson and his cabinet food for thought.

Recent demands from the Liberal council for extension of the debt adjustment scheme to urban districts and to rural areas not already included reflects ominously the temper of the constituencies and there is little doubt that members of the House are feeling the pressure.

The \$75 millions debt adjustment scheme, while alleviating the situation, does not appear to have satisfied everyone, even in the areas affected. The demand at the Liberal convention for Aberhart debt legislation, while quickly and easily voted down, strikes a disquieting and perhaps significant note which might grow into a dangerous theme song.

Intend to Incorporate

Notice is given in the current issue of the Canada Gazette of the intention to incorporate Domestic Finance Corp., under Dominion charter. The notice states the company proposes to operate as a loan firm. The authorized amount of the proposed capital is \$500,000.



WHAT NEXT?

In the ever-changing economic and financial scene, our role is that of alert watchmen devoted to the interests of beneficiaries under wills and trusts.

Our responsibility to our trust customers centers upon the conservation of their property. We pledge them close attention to the management problems which each day's work presents, as well as a watchful eye to the future.

Crown Trust Company

WILLIAM I. GEAR, President, JOHN JENKINS, Vice-President
ARTHUR LYMAN, Vice-President, IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST, MONTREAL

EXECUTORS TRUSTEES - FINANCIAL AGENTS

Pay Scale Boosted

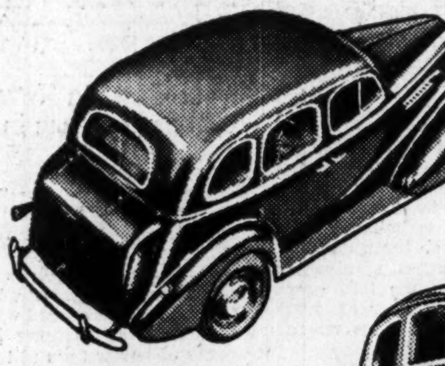
An increase of four cents an hour in the check time rate for labor in steel and car plants of the Nova Scotia Steel and Coal Company, became effective last week. The check time rate was reduced to 26 cents per hour more than two years ago. The present increase will bring the rate back to the former figure.

TWO SERIES

For 1937, Chevrolet again offers two Series for you to choose from . . . MASTER —and MASTER DE LUXE models. Both are the same in body, chassis, power and dependability; with the exception that the Master De Luxe models have Knee-Action and minor variations in equipment.

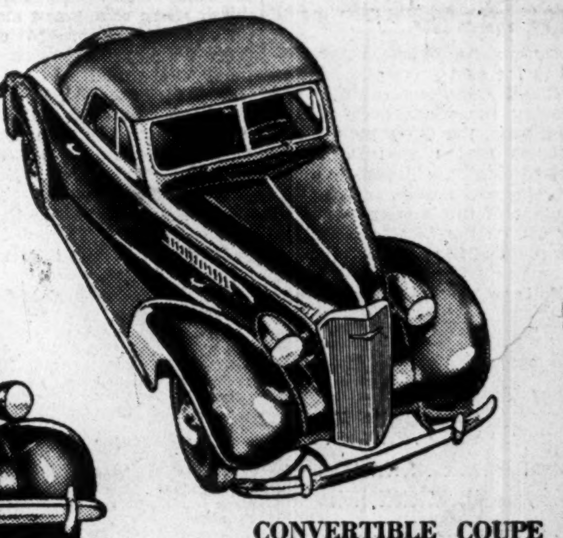
What's your Favorite Model of

CANADA'S FIRST-CHOICE CAR?



SEDAN WITH TRUNK

A smarter, roomier, more powerful car than ever. The spacious trunk at the rear has greatly increased luggage space, and encloses the spare tire in a separate shelf.

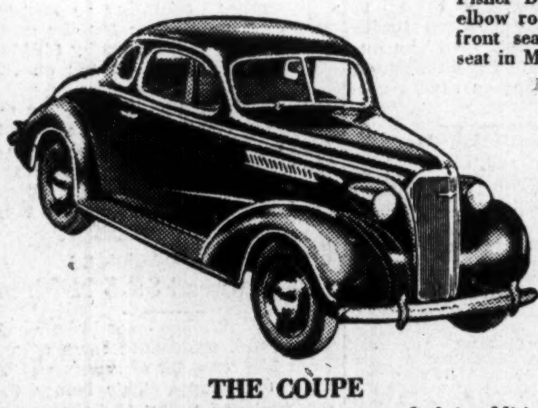


CONVERTIBLE COUPE

A dashingly youthful model, available only in the Master Series. Comfortable, well-tailored Rumble Seat. The weatherproof fabric top folds neatly away for all-weather driving.

THE COACH

The lowest priced Chevrolet. New Unisteel Fisher Body offers far more head, leg and elbow room. In Master models, bucket-type front seats; with full-width, divided front seat in Master De Luxe Coaches.



THE COUPE

A smart and thrifty model with spacious rear deck in addition to large interior package ledge. Spare tire mounted inside deck. Sport Coupe with rumble seat also available.

COACH WITH TRUNK

The ideal touring model; featuring, like the four-door Sedan model, a roomier luggage trunk—with parcel shelf back of the rear seat top. Available in both Master and Master De Luxe models.

NEW CHEVROLET 1937

"The Complete Car... Completely New"

COME to our showrooms today . . . see and drive the new 1937 Chevrolet model of your choice—and you'll never be satisfied with less than "The Complete Car—Completely New". Only Chevrolet gives you all these features at the lowest prices and with the lowest operating costs: New Valve-in-Head High-Compression Engine—Perfected Hydraulic Brakes—Unisteel Turret Top Bodies by Fisher—Knee-Action Gliding Ride*—Fisher No-Draft Ventilation—and Safety Glass in every window!

*On Master De Luxe Models.

FROM \$732 (2-Pass. Business Coupe)
MASTER DeLUXE MODELS FROM \$819
Delivered at factory, Oshawa, Ont. Government taxes, license and freight additional.

Monthly payments to suit your purse on the General Motors Instalment Plan.

C-47

See, Drive and Compare the Chevrolet Models on display at your local Dealer's Showroom.

NINETY YEARS' SERVICE!

August 21, 1936, marked the entry of the Canada Life into its ninetieth year of service.

During these nine decades the Canada Life has been privileged to act as the medium through which hundreds of thousands of policy-holders have co-operated to build up a fund, mostly out of small savings, to be returned later as benefits to themselves or their beneficiaries.

Such payments have brought a measure of comfort and security to hundreds of thousands of homes — have been the means to a happy retirement for thousands of policy owners themselves.

In the past ten years alone, beneficiaries, policy owners and annuitants have received from the Canada Life under insurance and annuity contracts more than \$224,000,000.

This large sum distributed in benefits, is a tribute to the services of Canada Life representatives who have co-operated with policy owners in arranging Canada Life insurance protection. They have a message you should hear. Do not be "too busy" to see them.

The Canada Life Assurance Company
Established - 1847

Canada's Oldest Life Assurance Company

Investment Trends

Leverage Influence Important in Stocks

Popularity of Common Shares Likely to be Maintained While Economic Recovery Continues — Three Types of Leverage

The prospects are that the new year, like 1936, will bring an extension of economic recovery with consequent benefits for common shares. Investment interest in stocks may wane temporarily while share prices readjust themselves after the rapid advance of recent months. But it appears likely that the popularity of common shares will tend to increase rather than diminish while the basic economic recovery continues.

Among the most important influences on common stock values will continue to be the leverage factors. Leverage consists of the influence of large fixed charges ahead of common shares and has the effect in a period of recovery of giving more than proportionate increases in earnings for common shares on relatively moderate increases in total earnings. For instance, a company earning $100,000 to meet fixed charges of $90,000, has only $10,000 remaining for its common stock. With an increase of 10% in earnings, however, the net profit for the common is doubled.

Threefold Leverage

THERE are three types of leverage on common share earnings. First, there is a leverage in capitalization, as illustrated in the foregoing. Another sort arises from the type of industry which may be comparatively stable or subject to wide swings in activity. Finally, there is a leverage in costs which allows the company with high costs to enjoy the greatest proportionate benefit from economic recovery.

Taking the more depressed industries, pulp and paper, agriculture and construction, the investor should be able without much difficulty to select securities that have a capital leverage. Some examples are the common shares of St. Lawrence Corp., Consolidated Paper, Massey-Harris, Frost Steel, Hamilton Bridge, Gypsum Lime. If these industries improve materially, such common shares should eventually get more than a proportionate share of the total increases in earnings.

Common shares of this character are far from being suitable for the funds of widows and orphans. And they have the disadvantage that in periods of depression their relative share of earnings shrinks fastest. But for partial investment in a period of recovery they have the most scope for better things because they start with less than nothing.

Power Projects —

Ottawa Survey Forecasts Resumption of Building to Keep Pace With Demand

From Our Own Correspondent

MONTREAL.—No major addition was made to Canada's total developed water power capacity in 1936, but there are a number of projects actively under construction which will add materially to the total in the next year or more, according to the annual survey released by Hon. T. A. Crerar, Minister of Mines and Resources.

New installations during 1936 aggregated 36,475 h.p., bringing the total for the Dominion at the end of the year to 7,945,590 h.p.

Taking Up Slack

The programme of hydro-electric developments throughout Canada during the past three years has been largely influenced by conditions brought out by the recession period 1930-1933.

Notwithstanding conditions in the years of recession, construction had to be proceeded with, thus providing a generating capacity in excess of existing power demands. The spread between installed capacity and power output has been rapidly narrowed in the past three years.

Small Additions in 1936

Covering the work done during the past year, the Government survey shows that new installations comprised chiefly, additions to existing developments such as the High Falls plant of the Maclaren-Quebec Power Co. on the Lievre River, the Rapids plant of the Ontario Government on the Albany River and the Ruth Falls plant of the Nova Scotia Power Commission.

In addition to actual hydro-electric installations, there has been activity in extension of existing hydro-electric systems.

In Manitoba the Provincial Power Commission added 133 miles to its transmission system and erected a number of new substations during the period. In Ontario, the Hydro-Electric Power Commission acquired by purchase during the year three plants on the Trent Canal system and near Lakefield with a combined capacity of 4,200 h.p.

Short additions were made to transmission lines in various parts of Quebec during the past year, while substantial extensions of distribution systems were also noted.

The New Brunswick Power Commission completed and placed in operation about 190 miles of transmission line to supply Fredericton Junction and vicinity and other areas, while a number of other transmission line extensions are now under consideration. In addition a high voltage connection has been made to the plant of the Port Royal Pulp and Paper Co. at Fairview.

Nova Scotia reports that there has been a considerable amount of transmission line extension during the year, those of the Nova Scotia Power Commission aggregating about six miles, while those of the Nova Scotia Light and Power Co. and its subsidiaries totalled between 60 and 65 miles.

New power undertakings of provinces include:

Operator	Location	H.P. Involved	Remarks
	British Columbia		
Vancouver Island Power Co.	Loss Creek	1,953	Extension
Consolidated Smelters	Cascade	3,000	Underway
	Manitoba		
Churchill River Power	Island Falls	19,500	Extension
	Ontario		
Ontario Hydro	Ear Falls	5,000	Underway
Ontario Hydro	Ragged Rapids	10,000	Projected
Ontario Hydro	Musquash	?	Projected
	Quebec		
Ontario Paper Co.	Outardes	66,000	Underway
City of Sherbrooke	2-Mile Falls	7,000	Underway
Mont Laurier Electric Co.	Mont Laurier	500	Replacement
Town of Magog	Salmon River	?	To cost $400,000
	Nova Scotia		
Minas Basin L. & P. Co.	Salmon Hole	2,500	Underway
Annapolis Power Co.	Paradise	3,750	Underway
N. S. Power Board	Mersey River	5,200	Projected

First Income Trading Offers B Shares at Par

From Our Own Correspondent

MONTREAL.—First Income Trading Corp. (Quebec) Ltd. is making a public offering of 49,500 class B shares at their par value of $5 each. This company does not class itself as an investment trust but works under a plan, whereby the company purchases a number of stocks listed on the New York Stock Exchange, and automatically sells and buys further shares, upon upward and downward movements in the market price. The sale and purchase of the securities is dependent upon the extent of the fluctuation in the price.

ADDITIONAL ISSUE

All of these shares having been sold, this advertisement appears as a matter of record only.

50,000 Shares
(No Par Value)

FLEET AIRCRAFT, LIMITED
(Incorporated under The Companies Act, Canada)

A prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, will be promptly furnished upon request.

PRICE: $11.50 per share

NESBITT, THOMSON & COMPANY
Limited
355 ST. JAMES STREET WEST, MONTREAL
Branches in all the principal cities of Canada

Plan Capacity Of Kelvinator

Expansion Increased as Business Improves — Outlook Good

Kelvinator of Canada Ltd. is making plans for increased production in Canada in 1937. First step in this direction has been enlargement of the London, Ont., plant at a cost of $75,000 which increases capacity about 50%. Straight-line production plans are now being completed, resulting in assembly similar to that used by motor manufacturers.

The expansion plans are based on expectations that Canadian demand for refrigeration equipment will increase along the lines of U. S. demand in the past three years. G. W. Mason, president, in the annual statement to shareholders, says, "All factors point to a continuation during the 1937 fiscal year of improvement in business throughout the Empire."

Gains in 1936

The company had gains in all three divisions, Canadian, British and Empire exports in 1936, Mr. Mason states. In addition to the Canadian plant expansion, the English subsidiary company is increasing space at the present London quarters.

"Foreign sales by the English company of ice cream makers and ice cream cabinets increased during the year," Mr. Mason comments, "and the Canadian company was fortunate in securing special business in beverage coolers."

Favorable Report

The annual report for the year ended Sept. 30, 1936, has just appeared showing earnings of $68.54 a share on the preferred stock and $3.05 a share on the common. Earned surplus was increased after paying the initial common dividend of $1.25 a share and writing goodwill of the English company down to £1, as reported on page 2.

Kelvinator Corp., Detroit, which controls Kelvinator of Canada Ltd., is to be merged with Nash Motors Co. Dividends on Kelvinator of Canada 7% preferred stock are guaranteed by Kelvinator Corp. and it is expected that the guarantee will become a contingent liability of the merged companies.

The merger was approved recently by both Kelvinator and Nash shareholders.

Kelvinator Corp. will continue to manufacture electric refrigeration and the Nash division will continue in automobiles.

Big Progress By Cockshutt

See Implement Company Breaking Even in Recent Year

Cockshutt Plow Co. will report substantial progress for the year which ended No. 30 last, The Financial Post learns from a reliable source. After four years of heavy losses the company is now out of the red, it is understood, though only a small profit is expected.

In 1935 Cockshutt Plow reported a net deficit of approximately $220,000 as compared with $525,000 in 1934 and almost $870,000 in 1933. For the year just closed it is believed the company will show an improvement in accounts and notes receivable which at the end of the 1935 year amounted to slightly over $3 millions and also in bank loans which stood at $1.6 million.

Good Prospects

Prospects for the current year are considered as considerably improved and with a good crop and a continuance of present higher wheat prices in 1937 very substantial gains are anticipated. Advance orders for spring delivery of farm machinery are said to be greatly in excess of last year and this applies to both the Brantford and Smiths Falls factories. Exports, in which there was a big gain in 1936, are being fully maintained.

With no funded debt or preferred stock and with working capital of approximately $3.4 millions future profits of this company will be immediately available for distribution on the 300,678 common shares outstanding.

List More Remington-Rand

Listing of an additional 14,075 shares of Remington-Rand common stock is announced by the Toronto Stock Exchange.

C. P. R. DIRECTOR

J. W. McConnell, president of Ogilvie Flour Mills, who has been elected a director of the Canadian Pacific Railway, replacing W. A. Black, who retired.

Dom. & Anglo Stock on List

Investment Trust Shares on Toronto Stock Exchange

Preferred and common shares of Dominion & Anglo Investment Corp., Toronto, are to be called for trading on the Toronto Stock Exchange Jan. 4, 1937. The listing covers the authorized 28,500 shares of 5% preferred of $100 each and 20,000 common shares. There are 13,500 preferred shares and 10,000 common shares outstanding.

At April 30, 1936, the company's balance sheet showed an equity of $139.90 a share for the preferred and $5.38 a share for the common stock based on market value of securities held. Earnings for the 1935-36 year were $51,011, and $50,625, or $3.75 a share, was paid in preferred dividends. At June 1, 1936, preferred dividends were in arrears 7½%.

Position Improves

It is understood the company's income has improved since the last report and that the market value of investments has risen substantially.

Directors of the company are F. W. Kerr, Arthur F. White, Stewart Kilpatrick, Britton Osler, K.C., John R. Lamb and G. A. Morrow. The secretary is H. R. Jackman and the treasurer C. E. Jolly.

The company is an investing organization and was formed in 1928. The number of shareholders has been small and there has been only minor public investment interest in the securities. There is no debenture debt.

Railway Revenue Shows Advance

Higher Costs in November Reduce Increase in Net Profits

From Our Own Correspondent

MONTREAL. — Seasonal decline in operating revenues of the Canadian Pacific and Canadian National Railways is shown in the November returns compared with those for October, but compared with Nov., 1935, there is an increase in gross revenues of better than $1.1 million. However, as has been the case for some months past, higher expenses absorbed a major share of the larger income, net operating revenues for the two railways being up only $137,000.

Last month the Canadian National's operating revenue totalled over $16.1 millions and the Canadian Pacific $12.1 millions, for an aggregate total of $28.2 millions. For the same month last year gross amounted to $27.1 millions, of which the C.P.R. accounted for $11.9 millions and the C.N.R. $15.2 millions.

November operating expenses, compared with those for the same month in 1935, increased by $174,308 on the C.P.R. and $849,852 on the Government-owned system.

On the basis of net operating returns, the C.P.R. reported $3.5 millions for November, 1936, as against $3.4 millions last year, while the C.N.R. had just under $2.4 millions, compared with $2.3 millions in 1935.

Walker's Debentures Reduced $2.5 Millions

Hiram Walker-Gooderham & Worts Ltd. announces issue of another 88 shares for conversion of its 4¼% debentures. This brings the shares issued under the conversion privilege to 62,172 and the total outstanding to 722,172 common shares.

The number of shares issued for conversion of debentures indicates that over $2.5 millions of the 4¼% issue has been converted into stock. The outstanding amount following redemptions of some debentures on Dec. 1, 1936, appears to be slightly above $5 millions out of the original issue of $8 millions.

Dominion Textile Strike Settled at St. Gregoire

From Our Own Correspondent

MONTREAL.—Some 200 striking workmen at Dominion Textile Co. at St. Gregoire plant have returned to work, with 1,600 others thrown out of work by the closure. The strike lasted less than a week. The strikers, from one department, sought a 15% wage increase where the company granted 7%. Details of the settlement have not been made public.

Approve Famous Players Write-off of $5,203,825

Shareholders of Famous Players Canadian Corp. have approved the writing down of the balance sheet liability for common stock by $5,203,825.

This is to be effected by writing the same amount off goodwill on the asset side of the balance sheet. The change does not affect the number of shares or their real value.

Investment Notes

Industrial Acceptance—Volume of Industrial Acceptance Corp., which is engaged in financing installment liens, increased 40% in 1936 as compared with 1935. In order to handle the expansion of business, the company has extended its branch system by opening offices in Saskatoon, Kirkland Lake and Peterborough. In the past year this company carried out extensive financing and its stock is now actively traded in on the Montreal market.

* * *

Brazilian Traction—Stock brokers who anticipated cash dividend payments in 1936 now bespeak considerably higher prices for the shares in 1937. But the reasons are not clear, although it is hoped that some sort of regular dividend basis may be established.

* * *

Burry Biscuit—Of the 10,000 preferred shares of $50 each, 15 were converted into 120 common up to Oct. 31, 1936, leaving 9,985 preferred and 400,120 common outstanding. The earnings in the first annual report are believed to be stated conservatively.

* * *

Moore Corp.—Distribution of one week's extra pay, with a limit of $50, to employees indicates the improvement in business in 1936, as does the recent increase to $1.60 in the rate of dividend. American Sales Book Co., subsidiary, is said to have received substantial orders from the United States Government.

* * *

C. P. R.—J. M. Wilson, director, decreased his holdings of common shares by 100 to a total of 1,000 in Oct., 1936.

* * *

Int. Paper & Power—J. St. C. Brookes, director, disposed of 100 class A common and 200 class B common, retaining 100 class B and 100 class C in October. M. G. Chase, another director, held 6,650 class A common, increased his class B common by 1,000 shares to 5,100 and held 7,800 class C common. He decreased his 7% preferred by 320 shares to 2,180.

* * *

Teck-Hughes Gold Mines—H. C. McCloskey, secretary, increased his holdings 14,100 shares in October, to a total of 35,100. He also has an interest through a holding company in 19,000 shares.

* * *

Sells Golds—In the quarter ended Sept. 30, 1936, Supervised Shares, Inc., New York, disposed of all its 4,000 shares of Hollinger, all 3,000 Lake Shore shares, all 600 McIntyre-Porcupine and the 4,000 shares of Wright-Hargreaves it had held three months earlier.

* * *

Massey-Harris—Based on the 30% increase in sales, Gairdner & Co. estimates that if 30% of the increase is in turn carried through to operating profits, it would mean a gain of $1.3 million. This would nearly eliminate the loss after all charges which was $1.4 million in 1935. The question is whether this proportion of the sales increase will be carried through to operating profit.

* * *

Algoma Steel Corp.—The company expects that operations in the last half of its fiscal year, which ends April 30 next, will show substantial improvement. Orders for automotive and structural steel are increasing and in addition the company is working on small rail orders. During the first half of the fiscal year operations were considerably reduced as compared with the corresponding period of 1935. This was due principally to the fact that the company had no rail orders.

* * *

Canadian Vickers—This company is reported to be in line for another contract from the Department of National Defence for the building of airplanes. Early last month the company received an order for five machines from the department. Owing to its diversity of operations, the company is regarded as one which should share in the expected improvement in the durable goods industry.

* * *

Donnacona Paper—This company will be in the market before long for additional capital. Prospects for the company look good, and with additional working capital a greater volume of business could be handled. The financing is likely to take the form of notes.

* * *

Equipment Orders — Within the next two weeks the first of the new equipment orders will be placed by the Canadian National and Canadian Pacific Railways. In all over $40 millions will be spent during 1937. The Canadian Pacific's first contract is reported to run around $5 millions, covering freight cars of various types. The C.N.R. will likely order about $18 millions of equipment, exclusive of locomotives. Other orders will follow.

* * *

Shawinigan — Stock of this company came in for considerable trading during the week; higher prices prevailed. There have been special developments to warrant the renewed interest. Financially the company is in good shape. Earnings for 1936 were well ahead of 1935, as evidenced by the increase in dividend. Power sales have been steadily advancing, the current level being higher than at any previous corresponding time.

* * *

General Steel Wares — The past year has been a relatively good one for this company. Preliminary estimates are that income available for the preferred was larger than in 1935. No word as yet on refunding the bonded debt, but action along these lines is expected. Saving on interest charges should add materially to earnings on the preferred.

* * *

C.P.R. — More interest is being shown in the ordinary shares of the C.P.R., the current bid of 14½ representing a small gain over recent prices. Prospects for increased traffic look better but higher operating expenses are cutting into profits.

* * *

McColl-Frontenac — Stock has been sluggish for some time past. One report is that sales have fallen off of late and that earnings on the common will not be as large in the 1937 fiscal year as in 1936 when $1.16 a share was reported.

* * *

Abitibi—Strength in the common and preferred shares continues to give rise to rumors of reorganization. While pencils and paper have been used on the subject, the investor is probably safest in looking to general improvement in the newsprint industry for better things for the company.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
October	151.9	24.4	101.9	232.5	73.4	171.7	135.6	212.3	59.8	133.4
November	166.9	27.5	107.0	233.4	74.4	179.6	143.6	219.9	62.4	138.4
Weekly Figures, 1936:										
Dec. 3	168.7	29.7	110.6	216.5	73.0	180.2	142.7	211.9	61.0	133.2
Dec. 10	165.8	28.7	110.1	220.0	73.5	178.2	141.5	212.7	60.7	133.4
Dec. 17	172.1	29.0	113.8	219.9	73.8	182.0	143.6	216.0	61.6	135.5

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 29	158.95	153.88	195.19
Dec. 28	158.51	153.52	196.49
Dec. 26	Holiday		
Dec. 25	Holiday		
Dec. 24	159.44	151.66	197.78
Dec. 23	158.78	150.21	198.00
Month ago	156.29	146.95	179.96
Year ago	127.18	120.56	123.96
High, 1936	163.24	153.88	198.00
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 29	82.7	106.1	98.3
Dec. 28	81.1	105.6	97.4
Dec. 26	Holiday		
Dec. 25	Holiday		
Dec. 24	80.7	105.0	96.9
Dec. 23	80.5	104.9	96.8
Month ago	78.9	100.6	93.4
Year ago	66.4	69.0	68.2
High, 1936	81.1	106.1	98.3
Low, 1936	67.2	69.5	68.9

Eastern Light Secures Reduction in Reserves

MONTREAL.—Eastern Light and Power Co.'s application for reduction in the amount credited to its depreciation reserve account has been partially approved by the Nova Scotia Board of Public Utilities.

The board ruled that "the petitioner should be allowed to withdraw from depreciation reserve the sum of $80,000." This amount, however, is to be placed in a reserve to be set up, withdrawals from which can be made only after application to the board.

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Province of Ontario

Increasing Revenue—Decreasing Expenditure

During the eight months ended November 30th, 1936, gross ordinary revenue of the Province of Ontario increased by $12,113,373 over the similar period last year, according to Provincial statements, while gross ordinary expenditure decreased by $3,413,093, resulting in an improvement of $15,526,466 in the Province's position.

Province of Ontario
3% Debentures
(Non-Callable)
Due December 1st, 1951
Price: 99.75 and interest, to yield 3.02%

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Bond Markets

Bondholders Incensed At Windsor Decision

Outlook for Bond Investor in 1937 Much the Same as a Year Ago — Dominion Plans Refunding Issue in New York

The outlook for the bond investor is much the same as it was a year ago.

The pressure of funds seeking investment continues and expectations are that holders of high-grade Government and corporation bonds will continue to find their yields low. Refunding of callable issues carrying a high coupon rate will continue. As a result the stability-seeking bond investor will be obliged, as during the past year, to take a low return on his money or venture into more speculative securities.

Reflecting further improvement in business sentiment corporation issues attracted considerable attention as 1936 drew to a close. Recently advances have been recorded in most high-grade issues. Sentiment in regard to defaulted and depreciated issues has also improved since increased earnings will improve the position of these.

The most disturbing factor in the picture is continued Government deficits and the instability of the financial position of the three prairie provinces.

Federal Refunding

THE Dominion Government is planning to enter the New York market with a refunding issue to provide funds for the redemption of the $98.7 millions 5% tax free issue, which fall due March 1 next. Official announcement has been made by Hon. Charles Dunning, minister of finance, that negotiations are under way with Morgan, Stanley & Co. Inc. of New York for the sale of the refunding issue. Refunding of the issue is planned in the United States for the reason that not only are the bonds payable in both Canadian and U. S. funds, but it is believed that most of them are held in United States. This maturity and a $236 millions 5½% tax free issue due Dec. 1 next are the only Dominion loans falling due in 1937. With the March 1 maturity being refunded in New York it is unlikely the Dominion Government will enter the Canadian market as early in 1937 as was expected.

* * *

The Windsor Decision

IF THE Windsor refinancing decision is any criterion of what may be expected from the Ontario Municipal Board in regard to refunding plans for defaulted municipalities then the investor in Ontario municipals has little hope that his interests will be safeguarded.

In bond circles the opinion is freely expressed that the revision of the Windsor plan by the Municipal Board represents political interference from Hon. David Croll, minister of municipal affairs, who represents Windsor in the Legislature. Certainly, the reduction in interest will strengthen his position politically.

Bondholders are incensed at the decision and the probability is a very strong protest will be lodged with the Municipal Board. It is possible the protective committee will refuse to accept the revisions.

The Financial Post has pointed out on numerous occasions that bondholders for the most part are reasonable persons and are willing to make adjustments where such are necessary. They can not be expected, however, to accept such a drastic revision from the plan of the fiscal agents as the Municipal Board has proposed. In the opinion of the fiscal agents their plan represented "the city's ability to pay."

An unfortunate aspect of the decision is that it will probably delay refinancing of a large number of municipalities, plans for which were expected to be brought down in 1937.

* * *

Bond Financing

BOND financing in Canada in 1936, exclusive of Dominion of Canada treasury bills, amounted to $769 millions, as compared with $658 millions in 1935, according to a compilation by Dominion Securities Corp.

Federal, provincial and municipal government financing all recorded decreases, while public utility, railway and industrial refinancing registered enormous increases. Sales, classified as to groups, follow:

	1936 $	1935 $
Dom. of Canada ..	282,385,600	386,000,000
Provincial	93,965,000	123,407,000
Municipal	34,340,555	44,323,986
Public utilities ...	113,025,000	15,388,000
Railways	133,000,000	48,400,000
Industrial & misc.	112,600,224	41,393,300
	769,239,779	658,912,286

* * *

Market Trend

THE government bond list has been strong throughout despite the slackening in trading as a result of the holiday season. The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Govt. Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Dec. 29	116.77	3.033	Dec. 28	111.86	3.573
Dec. 28	116.75	3.035	Dec. 27	111.77	3.580
Dec. 24	116.73	3.036	Dec. 26	111.61	3.596
Dec. 23	116.73	3.036	Dec. 24	111.50	3.606
Dec. 22	116.71	3.037	Dec. 23	111.50	3.606
Year's Range	117.91	2.966	Year's Range	114.97	3.367
	111.50	3.597		106.57	4.097

Municipal Finances

Montreal South, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of May 1, 1936.

* * *

Regina, Sask., will have a deficit of about $20,000 in 1936, Mayor Ellison expects. The big factor in determining the 1937 mill rate will be the cost of relief. It is probable that in order to hold the tax rate to 50 mills the entire cost of relief may be capitalized.

* * *

Winnipeg, Man., relief costs are expected to amount to about $3.6 millions for 1936. Although the number on relief has been slightly lower than in 1935 the cost of relief has been about the same.

* * *

Sandwich East Twp., Ont., with a total revenue of $172,873 for the first 11 months of 1936, reports it has a surplus of $5,148 over its budget requirements for the entire year. Collections of arrears of taxes amounted to $54,900 and current taxes to $54,600, the latter amounting to 73.3% of the levy.

Exchange is Offered on Crescent Rd. Bonds

The sale of Crescent Road Apartments to Ramsden Park Apartments Ltd. having been approved by the court, the National Trust Co., has announced to holders of 7% first mortgage bonds of Crescent Road Apartments Ltd. that they can now transfer their securities on the following basis:

Five per cent first mortgage income bonds of Ramsden Park, one share without nominal par value in capital stock of Ramsden Park and $5.20 in cash for each $100 in principal amount of Crescent Road bonds.

To Redeem $13,000 Bonds of Canada Crushed Stone

National Trust Company have advised bondholders that funds are available for the redemption of $13,000 in Canada Crushed Stone Corp. 6½% sinking fund bonds.

Bonds to be redeemed have been drawn by lot and principal, plus the 3% accrued unpaid interest will be paid Jan. 15, 1937. Whether the bonds are cashed or not interest ceases on these drawn, after Jan. 15, 1936.

Misericorde Bonds

MONTREAL.—The religious order of the Misericorde Sisters of Montreal will redeem on March 1 next $630,000 of 4½% first mortgage bonds at 101 and accrued interest. These bonds are dated March 1, 1935.

Hydro Plans Power Plant On Musquash

Development to be Started This Year to Assist Niagara System

COST IS $1 MILLION

Development of additional power on the Musquash River by the Hydro-Electric Power Commission of Ontario will be started in 1937 with work on a plant at Ragged Rapids to provide about 10,000 h.p. in the Georgian Bay system.

The Ragged Rapids plant will cost about $1 million, and ultimate development to a total of about 40,000 h.p. on the Musquash will bring outlays on this river up to nearly $3 millions.

Load and Use

Peak load of the Georgian Bay system, slightly over 29,000 h.p. in 1935, showed a gain in 1936. All the additional power is not required at present, but it can be used to relieve the Niagara system in southern Ontario power supplies of which were reduced by cancellation of contracts with Quebec firms.

The projected Ragged Rapids plant is slightly below the division of the river which results in part of the available water flowing to Georgian Bay through the Musquash and part through the Moon River. The Hydro plan is to block off the Moon flow and to divert all the water through the Musquash to the Bay. The Moon would be used to take flood water seasonally but otherwise would become practically dry. This development will make a marked change in one of the popular summer resort areas of Ontario.

Three Other Sites

There are three other points on the Musquash below Ragged Rapids where the Hydro plans to develop new power supplies harnessing the total of some 40,000 h.p. available on the river. These are mapped above from the official report of the Hydro for 1935. The present generating station at Bala is marked in black on the map.

It is reported the Hydro will be in a position to call for tenders on the Ragged Rapids development in the near future.

Security Offerings

INDUSTRIAL ACCEPTANCE

MONTREAL.—Industrial Acceptance Corp. is raising additional capital through the sale of $2 millions 4% convertible 15-year series A notes. The public offering is being made at par and accrued interest by Greenshields & Co., McLeod, Young, Weir & Co. and Harrison & Co.

These notes are convertible at any time prior to maturity, at the holders' option, into 20 class A shares for each $1,000 note.

This offering represents the third piece of financing carried out by Industrial Acceptance this year. In the present case the proceeds of the notes will be used as additional working capital by the company.

Supplementary letters patent have been taken out by the company confirming resolution of the shareholders to move the head office from Montreal to Toronto.

$2,000,000
INDUSTRIAL ACCEPTANCE CORP.
4% convertible 15-year notes series "A"
Dated Jan. 2, 1937 Mature Jan. 2, 1952

Principal and interest payable only in Canadian funds.

Redeemable in whole or in part on 60 days' notice at 104 if redeemed before Jan. 2, 1942; 102 before Jan. 2, 1946; thereafter at 101.

Capital—	Authorized	Issued
4% 15-year notes	5,000,000	2,000,000
5% cum. pfd. stock ..	3,000,000	1,500,000
Class A shs. n.p.v.	150,000 shs.	60,000 shs.
Class B shs.	30,000 shs.	25,000 shs.

Business—The company is engaged in a specialized form of commercial financing principally of the purchase of installment lien obligations.

Earnings—Annual average earnings for the six years and eight mos. ended Aug. 31, 1936, amounted to 3.4 times annual interest requirements on the notes. For the eight mos. ended Aug. 31, 1936, earnings available for interest on the notes was $269,133.

Equity—After allowing for the redemption of the presently outstanding debentures Jan. 25 next and taking into account the sale of $1.5 millions of 5% cumulative preferred stock during 1936, there was an equity Aug. 31 last of $2,285 for each $1,000 15-year note to be issued.

Offered—At par and accrued interest by Greenshields and Co., McLeod, Young, Weir and Co., and Harrison and Co.

Montreal Municipalities Cutting Down Tax Arrears

From Our Own Correspondent

MONTREAL.—Montreal Metropolitan Commission reports tax arrears due the 11 solvent Island municipalities under jurisdiction of the commission dropped by $81,000 during November. At the end of the month arrears stood at $1,049,000, as compared with $1,130,000 at the end of October, 1936.

The three insolvent wards of the Metropolitan body — Pointe aux Trembles, Montreal North and St. Michel de Laval—reduced their outstanding taxes by $3,000 during November, from $108,000 to $105,000; arrears on Nov. 30, 1935, were $137,000.

Joy Oil Co. to Appeal on Refusal of Permits

Appeal is to be lodged by Joy Oil Co. against a court decision refusing to issue an order requiring Toronto authorities to issue permits for erection of above-ground gasoline storage tanks in the city.

Bond Market Expected To Hold 1936 Levels

No Jump in Interest Rates Seen in Immediate Future

By NORMAN A. WHITE

With marked advances in bond prices, a large volume of corporation and government refunding and a small amount of new capital financing featuring the Canadian bond market in 1936, investors are speculating on what is going to happen in 1937.

Generally speaking, expectations are that prices of high-grade bonds will fluctuate about their present level in 1937, neither a sharp advance or decline being in prospect.

Without doubt, the principal factor in determining the course of bond prices will be the trend of interest rates. Most economists and financial experts are agreed that improvement in business and rising commodity prices will eventually push interest rates up. Whenever this happens the market for high-grade bonds will decline proportionately.

As to when interest rates will turn upward, however, there is considerable disagreement even among experts. It is generally admitted that before such an eventuality can develop there must be an increase in commercial loans. While commercial loans of the chartered banks in Canada have shown a slight increase in recent months there is no indication that this will develop to such proportions as to affect the flow of bank funds into the bond market in the near future.

Furthermore the amount of new financing on the part of industry remains very small, while the volume of funds seeking investment is so great that the demands of industry would have to expand considerably before interest rates would advance sharply.

The excess of investment funds over the supply of securities has been the principal factor in the bond market during 1936. As a result of business improvement it is possible that more of the idle funds will find their way into ordinary channels of trade and that there will be a slight increase in new capital requirements. It is possible, therefore, that the disparity between supply and demand will be somewhat less than in 1936.

Cheap Money Policy

Perhaps the major factor affecting interest rates is the cheap money policy of the Dominion Government and the Bank of Canada. Low interest rates are regarded by the Government as a necessity to recovery and furthermore they have aided it considerably in its budget problem. With $326 millions of 5% and 5½% maturities falling due in 1937, which will have to be refunded, and with large deficits which will have to be financed, still in prospect, the Government and the Bank of Canada can be expected to bend all possible efforts to maintain low interest rates.

This "money management" factor and its corollary, "interest management" has only entered the picture since the departure of the world from a rigid gold standard, and for that reason its importance is difficult to measure. It is not expected that the governments will be able to keep interest rates at a low level indefinitely in the face of rising commodity prices, but it is generally conceded that a sharp advance in interest rates can be prevented.

Banks Are Big Factor

The primary support to the bond market in 1936 came from the institutional buyers such as the insurance companies and the banks. This condition is expected to continue throughout 1937. Individual investors participated only to a limited extent. There is, in fact, ample evidence that many individual investors took advantage of the high bond prices of 1936 to liquidate their holdings.

A study by The Financial Post shows that banks not only supplied all new capital raised through the bond market in 1936, but purchased about $100 millions of Government and corporation bonds from other sources. Holdings of life insurance companies also increased so that liquidation by individual investors was substantial. Some of this liquidation came from foreign sources.

Few people realize the extent to which banks have been financing deficits of governments. Since the end of 1929 the total debenture debt of the Dominion and of the province has increased by $1,516 millions. In this period bank holdings of federal and provincial bonds have increased by $965 millions. Thus the banks have financed 63.6% of the deficits and capital requirements of the federal and provincial governments during the past seven years.

Will Banks Liquidate Bonds?

In some quarters there has been considerable conjecture as to the effect on the banks of a revival of commercial loans. Some believe that they will be forced to liquidate some of their investments in bonds in order to obtain funds, and that the result will be a substantial decline in bond prices. There is little foundation for this view. Even if a very sharp increase in demand for commercial loans were to develop, it is hardly likely that the banks would be forced to liquidate their holdings. Bank investments include a very large amount of short-term issues purchased with the intention of holding to maturity. These maturities have been arranged in such a manner that at intervals a substantial volume of funds becomes available for commercial purposes. Rather than liquidation of investments the effect of a substantial increase in commercial borrowing would be the drying-up of a portion of the funds seeking reinvestment in the bond market.

Furthermore, it should be pointed out because of their large holdings it is in the interests of the institutional buyers to lend support to the market. For instance, investments of the chartered banks in governments bonds amount to about 42% of their total assets. As long as this situation exists they can be expected to offer resistance to any sharp decline in bond prices.

Effect of Foreign Markets

Another factor which must not be overlooked is the level of bond prices in the London and New York markets. Deliberate credit expansion in both Great Britain and United States has reduced interest rates on bonds in those countries, banks being supplied with cash so as to impel them to buy bonds. Recently there has been a slight indication of rising interest rates in both of these markets, but because of the cheap money policy of the governments concerned this trend is not likely to become marked. It is hardly probable that bond prices would remain high here if they were to decline in the New York and London markets.

Rates of exchange between the pound sterling and the U. S. and Canadian dollars have also been factors in the rise of bond prices in Canada, making it possible for low interest rates outside Canada to contribute to the lowering rates here. Stabilization of currencies should tend toward a continuance of this situation.

It should be pointed out that high prices apply only to a select portion of the government and corporation bond market. Prairie, provincial and municipal bonds remain in disfavor and the drying up of this field of investment has been one of the reasons for the large volume of funds seeking investment in other fields.

Indications are that investors will continue to shun these securities. The market feels that unless something is done by the Dominion Government to solve the problems of Saskatchewan and Manitoba there may be further defaults. Fortunately, the danger is not immediate since Manitoba has only $774,000 maturing in 1937 while Saskatchewan has no loans falling due until 1938.

Probable Financing in 1937

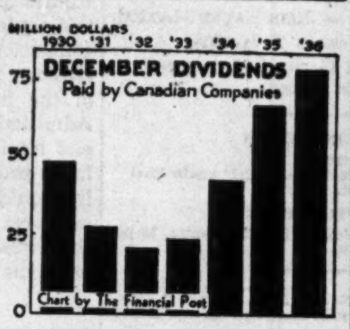
Bond financing by the federal and provincial governments will be sharply higher in 1937 than in 1936, although the amount of new capital raised will probably be lower. The Dominion Government alone has refunding of $326 millions to be undertaken, while refunding operations of the Ontario Government and the Hydro-Electric Power Commission of Ontario will probably total over $90 millions.

Municipal bond financing will probably be even lower than in 1936 when total sales amounted to $34.3 millions, compared with $44.3 millions in 1935. Municipalities in Eastern Canada have less need to borrow and very few western municipalities are in a position to borrow.

Corporation Refunding

In the corporation field there appears to be a considerable volume of corporation refunding still to be undertaken, but it is probable that the total volume will be smaller than in 1936. With continuance of business recovery and the resultant improvement in corporation earnings, additional high coupon issues may be expected to advance in the market to the call price, making it possible for refunding to be carried out profitably. Most refunding issues sold will, in all probability, be characterized, as in 1936, by a large proportion of short-term serial maturities.

With earnings of industry on the upgrade it is probable that the depreciated bond group will continue to play an important part in the market, as in 1936. One of the features of the market in 1936 was the sharp advance in newsprint securities. To some extent these advances discounted the future, but present indications are that there will be further improvement in the newsprint industry in 1937. Prospects for other groups of depreciated and defaulted bonds are also improving.



CHRISTMAS PRESENTS

Canadian corporations were kind to their shareholders in 1936 in the matter of year-end dividends, playing Santa Claus to the extent of $78 millions. This is the largest total of dividends ever made in December and is due in part to the fact that many companies which paid quarterly dividends in 1930 and previous years now make an annual distribution at the year-end. The amount paid in December, 1935, was $66 millions.

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Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Dec. 22	Dec. 23	Dec. 24	Dec. 26	Dec. 28
U. S. Dollar, High	.5906	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
Low	.5906	.99⅞	.99⅞	.99[illegible]	.99[illegible]	.99[illegible]
1935 High	.5906	1.00[illegible]	1.00[illegible]	1.00[illegible]	1.01[illegible]	1.00[illegible]
Low	.5906	1.00⅛	1.00[illegible]	1.00¾	1.00[illegible]	1.00[illegible]
U. K. pound	4.8665	4.90¼	4.90¾	4.91	4.91	4.91
Australia	4.8665	3.9250	3.9275	3.9197	3.9300	3.9325
Austria	.1407	.1872¼	.1873¼	.1873¾	.1873¾	.1873¾
Belgium	.1392	.1688¾	.1687	.1687½	.1687½	.1687
Brazil	.1963	.0597	.0597	.0597	.0597	.0597
Czechoslovakia	.0296	.0351¼	.0350¾	.0350¾	.0350¾	.0350½
Denmark	.2680	.2191¼	.2193	.2193¾	.2191½	.2195½
France	.0392	.0466¼	.0466[illegible]	.0467	.0466¾	[illegible]
Germany	.2382	.4019	.4020¾	.4022	.4021½	[illegible]
Greece	.013	.0090	.0090	.0090	.0090	.0090
Holland	.4020	.5470	.5470¾	.5472½	.5472½	.5472½
Hungary	.1749	.1977½	.1978⅛	.1978¾	.1978¾	.1978¾
India	.3650	.3712¼	.3713½	.3713¾	.3713½	.3717½
Italy	.0526	.0525¾	.0525¾	.0526	.0526	.0526
Japan	.4985	.2856½	.2859¼	.2858¼	.2858¼	.2853¼
Jugoslavia	.1929	.0233¾	.0233¼	.0233¼	.0233¼	.0233½
New Zealand	4.8665	3.9575	3.9600	3.9547	3.9600	3.9650
Norway	.2680	.2466	.2467¼	.2468	.2466½	.2470
South Africa	4.8666	4.8975	4.8975	4.9000	4.9000	4.9050
Sweden	.2680	.2529¾	.2559¼	.2532	.2531½	.2534½
Switzerland	.1930	.2296⅛	.2296¾	.2297½	.2297½	.2298
Hong Kong	.5423	.3056	.3057⅛	.3058	.3058	.3060

Start on 5-day Week But Paid for 6 Days

Commencing Jan. 4 employees of the Life-Savers and Beech Nut Sales Co. Ltd. will operate on a five-day week with a six-day wage schedule.

Special cash bonuses were made at Christmas to the factory and office staff by M. Banker Bates, president of the company. Sales during 1936 touched an all-time peak.

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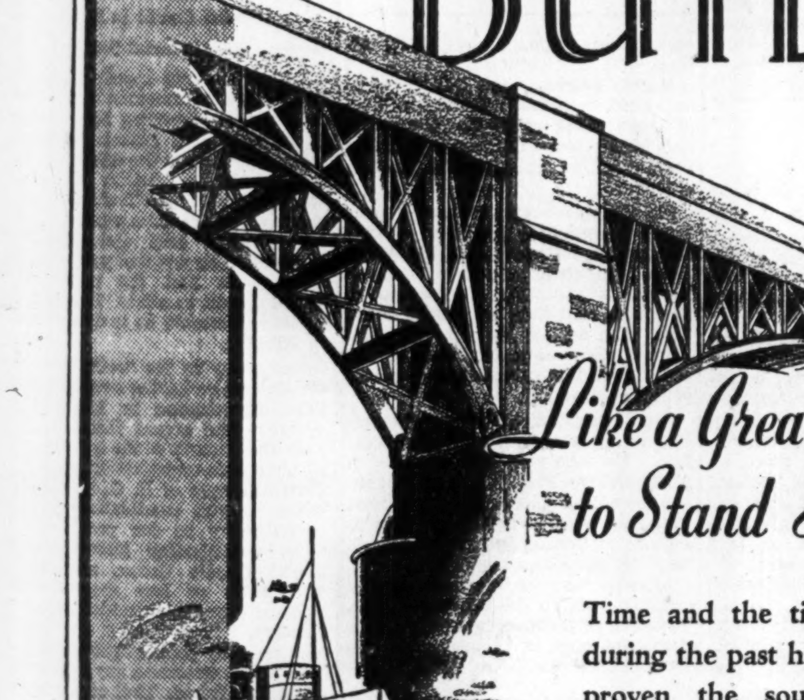

Like a Great Bridge to Stand Strain

Time and the tides of business during the past half century have proven the soundness of the principles employed in building the London Life.

Foremost among these principles has been "security for policyholders." Strict adherence to this rule has placed the London Life in a position of unexcelled financial strength and enables it to furnish life insurance at low net cost.

It pays to consult a London Life representative. May we serve you?

Established 1874
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Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

1937—BUSINESS MARCHES ON

During 1936 continued substantial gains in business activity were made.

EXTERNAL TRADE—
The value of Exports was higher in November than in any November since 1928, and for 11 months was up 22.3% over the same period of 1935.

Imports (12 months ended October) increased 12.1%.

INTERNAL TRADE—
Newsprint Production was up 379,625 tons or 15.1%. The output of Central Electric Stations reached a new peak, recording a gain (11 months) of 9.5% over 1935 (11 months).

Car loadings (51 weeks) were up 119,301 cars or 10.9%; marked acceleration was shown in Capital Goods industries, Steel Ingot production was up 20.8%, and Pig Iron production up 15.3%.

Our great Wheat Industry is back on a healthy basis, and the coming year may well see a consumers' demand for the entire world's wheat surplus.

Precious and Base Metal industries are humming with activity.

These and many other favourable features make us look with confidence to the future. Our current list of offerings contains opportunities for investment in all major Canadian industries.

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The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book, Yearly, $2.
The Financial Post Survey of Corporate Securities, Yearly, $2.
The Financial Post Survey of Mines, Yearly, $2.
The Financial Post Record of Prospectuses, Half Yearly, $7 per volume.
The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.
Directory of Canadian Directors and Officials, Yearly, $10.
The Financial Post Survey of Canadian Oils, Yearly, $1.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.

Founder and Chairman — John Bayne Maclean
President — Horace T. Hunter
Vice-President and General Manager— H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, Resident representative: J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, JANUARY 2, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Production is the Great Need

THOSE who explain the depression as the result of a shortage of purchasing power might look at the changed situation today. A shortage looms up in many of the so-called "consumers' goods"; moreover there is in most countries a shortage of skilled workers to make them. This is an indication that purchasing power is being created more rapidly than goods; that consumption is beginning to outrun production.

How is the purchasing power being created? Walter Lippmann supplies the answer: by inflation not unsimilar in its effects to the inflation of the wartime. Then there was a shortage of goods; yet the demand was increasing because governments everywhere were creating purchasing power by printing money or bonds and paying it out to workers in the army or munitions factories.

Today governments are doing the same thing: inflating through budget deficits and by paying money out to people who are not producing—the unemployed. Thus there is being created purchasing power beyond the production of consumers' goods. Lippmann joins with other observers in seeing ahead a spiral of rising prices, an inflationary boom, ending in a collapse of the price structure such as we had after the war.

He points to the need for safeguards. One he suggests for the United States is to force nonproducers back into industry by reducing the wages on public works.

All over the world what is needed today is an increase in production to match the purchasing power that has been created. The inflationists, the Social Crediters, the advocates of increased relief payments, of public works and of armament employment are preaching dangerous doctrines. They would feed the fires of an inflation which is already under way and threatens another ultimate grave collapse.

There is one basic need which ought to inspire all government policy today. It is for everyone to go back to work producing the foodstuffs, the necessities and the luxuries they want to enjoy. Any policies which restrict production or reward idleness are bad policies; policies which encourage production or move people to work are good policies.

Robbing the Bondholders

LIKE the original scheme, which proposed a cut in principal as well as interest, the final decision of the Ontario Municipal Board in regard to refinancing of Windsor bonds might well be described as "robbery."

In reducing interest below that proposed by the fiscal agents, who made a thorough survey of the city's position in eliminating the income interest feature and in permitting expansion of the city budget without corresponding benefit to bondholders the Municipal Board has declared that the bondholders alone must be punished for the improvident spending and civic mismanagement of the past.

The plan submitted to the Board was based upon a thorough study of the position of the city of Windsor and represented in the opinion of the fiscal agents the city's "ability to pay." Bondholders, on the other hand, while approving the plan, claimed it fell short of this objective and for this reason held out for the income interest feature. The marked improvement in tax collections in Windsor this year has justified the bondholders' stand.

In reducing the interest the Board expressed the opinion that the burden of taxation on real estate in Windsor would be too great if the plan submitted were approved. The burden of taxation on real estate is one which is prevalent throughout all of Canada, and unless the Board is in a position to show that in the case of Windsor it would be considerably greater than in similar cities elsewhere, then its decision is not justified. This is especially true when one considers that its view is in direct contradiction of that of the bondholders committee and the fiscal agents, both of whom presented evidence at the public hearing to support their judgment.

Perhaps the most glaring illustration of the arbitrary nature of the decision is its effect as regards the former town of Walkerville. The town had no desire to default and had arranged for refinancing of its debt by creditor interests. The plan, however, was obstructed by government officials, and the town thrust into a merger after its citizens had voted four to one against it. Then the refinancing plan was finally arranged to give 4¼ per cent interest to Walkerville bondholders, with an income feature which might possibly have brought it up to five per cent.

Now the Municipal Board proposes reduction of the interest rate to three per cent on new Windsor bonds originating from the old Walkerville debentures. In effect this means that Walkerville finances are being used to strengthen the finances of Greater Windsor.

It is difficult to escape the conclusion that some hidden influence has been at work. The Ontario Government is again disregarding the rights and interests of investors. With this sort of administration in municipal affairs in Ontario, there is little reason to be surprised at the suggestion that came from Saint John, N.B., a few months ago that Ontario municipal bonds should not be regarded as satisfactory trustee investments.

The man responsible is Hon. David Croll, former mayor of Windsor, and now Minister of Municipal Affairs of Ontario.

The Crisis Becomes Chronic

IT NEEDS only a superficial review of Canadian newspapers of 1936 to reveal that Europe's arch-dictators, Messrs. Hitler and Mussolini, grabbed the lion's share of front-page headings and type. We doubt if they deserved it. Even the abdication of Edward VIII—the greatest newspaper story since the war—was relegated to the status of a seven-day wonder before their relentless day-by-day invasion of the news market.

Other newspaper stories of the year have been merely sandwiched between the series of flare headlines of rearmament moves, victories over tribesmen, interventions, death penalty decrees and recurrent moves in the European "crisis."

The Dionne quintuplets had a second birthday, incidentally collecting some quarter of a million dollars from movie contracts as a birthday gift. From a Saturday to a Wednesday early in April, Mussolini and Hitler were forgotten while Nova Scotia miners fought to rescue a Toronto surgeon and his associate from a Moose River mine. In October, Toronto's Millar will stork derby ended its grotesque run and again the European dictators got the cold shoulder from news desks.

No one is ready to discount the seriousness or significance of the European situation or to suggest that it has not an intimate bearing on the lives of Canadians but the task of prolonging a crisis for the 313 publishing days of the year is a difficult one and hardly worth the effort.

Undoubtedly, some of the "tension" in Europe has been created by harassed news editors, who, less than an hour before press time, with hope of news breaks nearer home abandoned, reach for their foreign budgets as a last resort. It is no coincidence that Europe has been a state of crisis only when there was no better news to hand. Europe just happens to be the story to fall back upon.

But is it not a little unfortunate that the editors have not sent their reporters out to find more human interest in what the Canadian people are saying and doing during these days of march toward prosperity and thus to keep the European "crisis" where it belongs — somewhere around page two or three? A crisis that becomes chronic certainly is not worth the many eight-column streamers it gets.

Half-baked Conclusions

A BOOK entitled "The Railway Worker" has recently been published under the auspices of the McGill University Social Research Series. One important conclusion reached by the author, G. M. Rountree, is that the arbitration machinery for settling wage disputes is completely ineffective in so far as railway matters are concerned.

Says Mr. Rountree:

"The members chosen by the parties to the dispute are partial and have their minds made up before the hearings start. The chairman must agree with one of them and a majority and a minority report are the consequence. Obviously such a decision carries little weight. Since the party against whom the decision goes has had no part in the appointment of the chairman his views are of no avail in settling the dispute. Such a board cannot hope to arrange a final settlement and in railway disputes has failed to do so."

If Mr. Rountree had an intimate knowledge of the way in which these arbitration hearings had actually operated it is doubtful if he would have made any such statement, for there is plenty of evidence that the act does genuinely function.

Thus in 1921 a board of conciliation (similar to the one now functioning) and under the chairmanship of Justice Maclennan ended in an agreement between the railways and the workers' organizations. In 1926, a board under Justice Kelly produced a majority report in favor of the railways and a minority report against them. The railways, however, soon after conceded the increase asked. In 1931, a board under the chairmanship of J. M. Macdonell produced a majority report in favor of the railways which the workers organizations accepted without protest. In 1933 a board under Lynn Spencer produced an agreement.

Not only has Mr. Rountree ignored the actual record of performance of the act but he seems also to have failed to realize its purpose. Thus the boards appointed are definitely known as "boards of conciliation," a name which indicates clearly their purpose. They are not boards appointed to judge between employers and employees and to give decisions binding two parties to a dispute, but rather they are boards appointed to permit friendly discussion of points at issue and to obtain the views on them of parties who are not directly concerned.

The unfortunate feature of this and other studies put out by university departments and under university auspices, is that their conclusions are all too often "textbook" conclusions revealing little intimate knowledge of the industry or situation under review. Admittedly Mr. Rountree has made a serious and intelligent attempt to deal with railway labor problems, but his book and others like it, would avoid errors and distortions such as these if their authors would round out their textbook studies by practical contact with the problems they tackle.

All Right — So Far

THE TORONTO STAR says that The Financial Post makes statements about the Ontario Hydro power situation that are unwarranted by the facts.

Well, let us see what these supposed inaccuracies are.

Editorially, The Post said last week that Ontario is "heading into" a power shortage.

In a news article The Post said the current position "appears comfortable."

The Star puts these statements side by side and apparently considers them very contradictory.

There is nothing inaccurate about either, and, taken together, they are not contradictory.

Ontario has enough power now to meet its present needs so its current position is comfortable.

But Ontario power demand is growing so rapidly that present and prospective supplies are insufficient to ensure that there will be for any substantial period enough power to meet all provincial needs. And so the province is heading into a power shortage.

It is The Star that is inaccurate when it says "there is no power shortage nor prospect of an early power shortage."

The Star is like the man who fell out of the Empire State building. As he passed the 25th story someone shouted "Are you all right?" The man replied "I'm all right so far."

Editorials in Brief

It was a tough break for labor agitators when an Illinois factory voted a Christmas bonus to its striking employees.

• • •

C.P.R.'s holdings of "Smelters" cost $17 millions, are worth about $150 millions. Dividends received from the mining subsidiary in 1936 totalled over $3 millions. Just a little more evidence of what mining means to Canada.

• • •

Frequently The Financial Post has observed that the sensational, the bizarre and the unusual news from Canada is certain of being played up in the United Kingdom press. News of constructive activities, of achievement, of the normal life of the Canadian people gets scant attention outside of the reviews of small circulation.

Canada's Weekly, published in London, now seconds The Post's complaints. Speaking from close observation, it says that it seems to be Canada's misfortune to suffer from the wrong type of publicity. The chief news from Canada now relates to the Dionne quintuplets and the Millar will stork derby.

British newspapers such as The Times, which have their own correspondents in Canada, are well served with Canadian news. But the tabloid and the sensational press seem to get most of their news via Hollywood and the back door of special writers' imaginations.

Curiously, several of London's largest and most important dailies have no resident correspondent at all in Canada.

Sayings of the Week

"We seem to live by accident rather than to die by it."—*Lord Horder.*

• • •

"All men may be created free but no two men are equal."—*Channing Pollock.*

• • •

"We are coming to realize that law is not an end but a means to an end."—*Justice Harlan F. Stone.*

• • •

"Any businessman can double his efficiency by keeping 100 per cent fit."—*Sir George Broadbridge.*

• • •

"The people of the United States have long known that concentrated wealth is public enemy No. 1."—*Gifford Pinchot.*

• • •

"Now, as before the World War, the casting vote between war and peace lies with Great Britain."—*Wickham Steed.*

• • •

"Reason, like conscience, is an anarchic force, not easily manipulated by politicians or military leaders."—*Bertrand Russell.*

• • •

"Taxes, after all, are the dues we pay for the privileges of membership in an organized society."—*Franklin D. Roosevelt.*

• • •

"As many young women as young men are qualified for business. A woman's mind is as good as a man's."—*Roger W. Babson.*

• • •

"Capitalism can be sustained under representative government only through increasing mass purchasing power."—*Harry Elmer Barnes.*

• • •

"Canada's mining industry is leading the Dominion on its fast economic recovery."—*Gerald O'Connor, member of the Alberta Legislature.*

• • •

"A careless statement by a public speaker is echoed by other public speakers and presently becomes a statistic and later a fact."—*Bruce Barton.*

• • •

"All the money that Americans spend in Europe only helps them to increase their armaments, and I don't think we ought to do it."—*Katharine Cornell.*

• • •

"There is no difference between a specialist framing trick language in a dishonest bond and the manufacture of a crooked slot machine."—*Fiorello H. LaGuardia.*

• • •

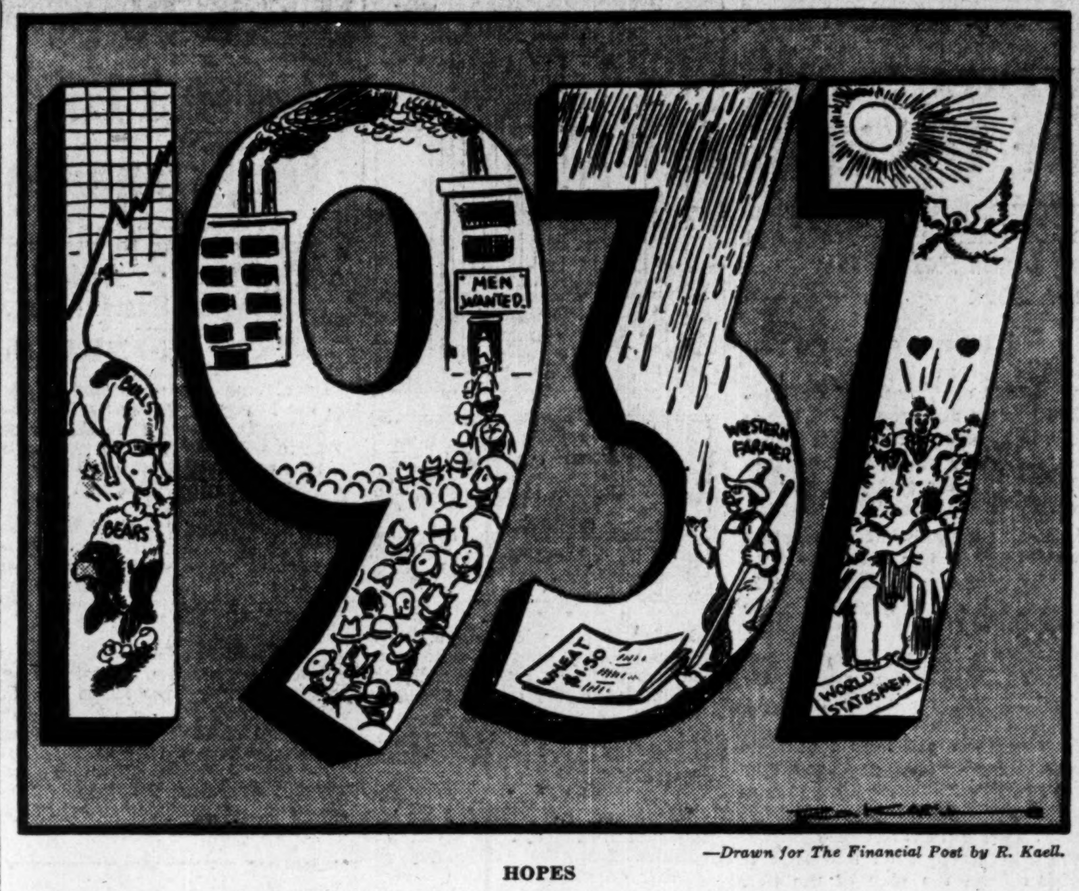
"With the difficulty of increasing railway traffic, the problem before railroads is how to bring about sweeping economies in management."—*Thomas P. Lamont.*

• • •

"Everyone knows that the most important factor in the early recovery of Great Britain from the depression was the revival in building activity."—*S. G. Dobson, General Manager of the Royal Bank of Canada.*

• • •

"When production concentrates again on peaceful objects, you French, we Germans, could meet in a conference and discuss our affairs. Many ghosts would then disappear and peoples would discover that agreement is an easy matter." — *Dr. Hjalmar Schacht, president, The Reichsbank.*



HOPES

—Drawn for The Financial Post by R. Kaell.

As Others See Us . . . . .

About Old-age Pensions
Ottawa Journal

According to the Ottawa correspondent of The Financial Post there is a "rising tide of opinion" that old-age pensions in Canada should begin earlier than 70. He adds that the fixing of 65 for the beginning of benefits under the social security legislation of the United States "is sure to have repercussion on this side."

But there is one essential difference between the pensions law in Canada and the pensions law in the United States. The United States pensions are being made contributory. Canada's old-age pensions, on the other hand, are contributed 100% by the State—75% by the Dominion, 25% by the provinces.

When the old-age pensions bill came into force in 1927 few people foresaw the cost. Now that Quebec has come under the scheme the bill will run to $30,000,000 annually, gradually rising. Any lowering of the age of beginning benefits would run the total up rapidly—might well bring it to $50,000,000.

The Journal is not minimizing the importance of old-age pensions. They are necessary. But it often happens that things necessary are things impossible; nor is it well to forget that our federal treasury is still in the red by about $100,000,000 annually.

Skilled Workers Needed
Timmins Press

Relief rolls have declined but the number of men in Canada who apparently cannot find jobs is still in six figures. There is a positive shortage of skilled workers, trained to do specific factory and construction work, however, reports The Financial Post.

It is not suggested that if all the jobless were trained workmen, they could be placed, but it is suggested that there is a serious anomaly in maintaining large numbers of men on relief when our rewakening specialized industries are having difficulty in finding workers to produce the goods they can sell.

This deduction may be taken as an object lesson here in Timmins. We are turning hundreds of students out yearly at our high and vocational school with only a few of them actually going to college and completing the education for which the groundwork has been laid. The result is that we are turning out young men with no specialized trade but with a smattering of such subjects as languages and higher mathematics.

How much better would it be to have a mining course as part of the curriculum of our school. Teach the students elementary mining and geology that would equip them to take part in early development of new mines and to do prospecting work—to train them in the line of work which the north country can provide.

Manitoba's Financial Problems
Winnipeg Free Press

The Bracken Government has consistently sought to maintain the credit of Manitoba, to honor all obligations and avoid repudiation in any form. But its difficulty is greater now than it ever was before. If the solution really requires the co-operation of the bondholders and the Dominion Government, would they not be very well advised to give it now and voluntarily? Would it not be definitely in their interests to do so? If the Provincial Government is unable to find a solution to the approaching impasse and if it must give way to a new government made up of the opposition groups, more drastic methods may be expected of lowering the interest rates.

The voluntary reduction of western debt charges, provincial and municipal, is strongly urged by The Financial Post because it clearly sees the impending danger if this is not done. It thinks that the Dominion should stand behind a refunding of provincial and municipal debts at lower rates of interest.

The Post says that the burden of debt charges in the West is still too high, still a danger to political "security," and it urges that the burden should be lowered, as has already been done for the Dominion and for the eastern provinces and cities. And this Toronto financial journal supports its argument very effectively with a cartoon representing Mr. Aberhart as jumping off the side of a precipice—his measure of straight repudiation of a part of the interest payment—and the three other western premiers clinging desperately to the wall as they gaze into the depths below. "If the rescue rope is not lowered soon, will the others jump, too?" asks The Post.

Post-Scripts

For Old McGill

AN INTERESTING merchandising promotional campaign is currently being carried by a Montreal cigarette manufacturer. Three months ago this manufacturer introduced a new cigarette, named after McGill University. The packet carries the crest of the University and is printed in the official red and white colors. As part of its campaign to promote the use of this new brand, the manufacturer is contributing a percentage of the gross sales revenue to the Sir Arthur Currie memorial gymnasium building fund, which is being sponsored by the graduates.

In September contribution to the fund amounted to $170.25; in October $592.50 and in November, $1,162.10.

Common Stock Profits

NO DOUBT many of the people who are rushing to buy industrial and utility common stocks today are people who firmly resolved, in 1930 and 1931, never to buy anything again but the most "conservative" investments.

How conservative is a "conservative" investment? One small financial house had a substantial bank loan when the depression came along. It was secured by a variegated portfolio of foreign government and Canadian municipal bonds. Within a year or two the assets behind the loan were worth 30 cents on the dollar of the amount owing to the bank. We have no doubt that the house in question was, on the basis of market values, hopelessly insolvent.

The partners could see that their chances of ever getting square with the banks were very slight. They proposed that the foreign bonds and the Canadian municipals be sold for what they would bring and that the proceeds be invested in common stocks of good companies, stocks that were then a drug on the market.

The bank was sporting enough to agree. The bank loan has long since been paid off and today the firm has larger capital resources than ever before. The profits on the common stocks did it.

New Books

Charting Utopia

CASTAWAYS OF PLENTY. By Willard E. Hawkins. Published by the Macmillan's in Canada. Toronto. Price 60 cents.

PRODUCTION FOR USE. By Harold Loeb. Published by the Macmillan's in Canada. Toronto. Price 60 cents.

These little volumes have been published as part of a series of so-called "Basic Books" designed to study and report upon the contemporary scene. They are attractively produced in the modern manner with suitable black and white illustrations.

Both deal with the same theme: the paradox of poverty amidst plenty. They offer "solutions."

"Castaways of Plenty" is written in parable form; the usual three sailors shipwrecked on a desert island who try capitalism and find that it leads them to depression. So they abolish profits, competition and "exploitation." The author tells us they live happily ever after in a sort of pseudo-Communistic Utopia.

"Production for Use" draws some conclusions from a recent survey of United States industrial potentialities and offers a "Production for Use" system which has borrowed liberally from Social Credit, the Townsend plan and plain every-day inflation.

Why We Are Taxed

FIRST PRINCIPLES OF PUBLIC FINANCE. By Prof. Antonio de Viti de Marco. Translated from the Italian by Edith Pablow Marget. Published by Jonathan Cape, 91 Wellington Street W., Toronto. Price $5.

THE FUNDAMENTAL PRINCIPLES OF TAXATION IN THE LIGHT OF MODERN DEVELOPMENTS. By Sir Josiah Stamp. Published by Macmillan's in Canada, 70 Bond Street, Toronto. Price $3.50.

Here are two of the world's most authoritative works on public finance brought up to date. Prof. de Marco's volume is recognized by economists as the outstanding analysis of the theory of public finance; Sir Josiah Stamp's volume as a study of the practical application of taxation.

Prof. de Marco approaches public finance as a theoretical science. To him there are two types of state: the monopolistic state, which rules its citizens, and the co-operative state, where the citizens rule themselves. Different principles apply to public finance in the two different types of state. Over a long term of years mankind has developed for himself a democratic type of state. Modern government is largely of the co-operative type, although there is a tendency for dictatorship to bring back the monopolistic or feudal state to the world.

"First Principles of Public Finance" is not easy reading for the layman in public finance. No exploration of "first principles" ever is easy reading. It is always easier to take the superficial or political view of public finance; to defend or attack certain financial procedures on shallow grounds. But, as Luigi Einaudi points out in an introduction to this volume, the more an author stays in the field of abstract science the more precious may his volume be as a guide to the practical man. Certainly it cannot be said that Prof. de Marco has been unduly influenced by any political or social school. He looks at customs duties, income taxes, property taxes, loans, currency, as so many subjects for laboratory examination and discusses their principles and their effects with full objectivity.

Highly prized in the Italian original, Prof. de Marco's volume will be of inestimable value to economists and public servants now that it has been put into an adequate English translation.

Sir Josiah Stamp's volume represents a complete rewriting of the Newmarch lectures of 1919 which have won such extensive recognition as a yardstick for measuring the value of different types of taxation. The author looks at taxation from three viewpoints: that of the individual, that of the state and that of the community.

Sir Josiah indicates how difficult it is to apply the principles of taxation. He analyzes the canons of Adam Smith—ability, certainty, convenience and economy—and shows that they are too broad to serve as a guide in finding the answers to all taxation questions that arise.

Modern taxation, he concludes, is tending back to the personal again. Taxation of incomes is taking a predominant part in the revenue systems of most countries.

Other People's Views

'Twixt Brain and Backslap
Current History

The ideal state, according to Plato, would see the intellectuals rule, the warriors protect, and the artisans work. But down through history the politicians have done the ruling while the intellectuals have for the most part been content to rotate on their own particular orbit. It would seem then that the problem, as expressed in the myth of the cave, is still one of adjusting intellectual understanding to popular reality.

Coming down to cases, the pertinent question is whether there is any hope for such an adjustment between the intellectual and the politician in present-day American democracy. Max Ascoli, author of Intelligence in Politics, not only believes that there is, but he is convinced that democracy can have a richer and a more lasting meaning only when the gap is bridged between the brain and the backslap.

The King's Abdication
The New Republic, New York

Since the abdication of Edward VIII, rumors concerning what lay behind it have been flying thick and fast. As The New Republic intimated last week, many believe that Edward is pro-German and even pro-Nazi. Sensational details have been added to this speculation—such as that he opposed the new understanding with French and tried to force the Cabinet toward a German orientation, as did his grandfather Edward VII, and that Mrs. Simpson has Nazi friends and might even be suspected of disclosing military and naval secrets. If all this is true, it is a pity, we repeat, that the differences between King and Cabinet were not handled in such a way as to bring the real issues to the fore, rather than the question of his marriage to someone of whom conventional moralists disapproved. As it stands, opinion is sharply divided between those who were deeply moved by the King's eloquent farewell speech and sympathize with him as a man, and those who accept the view of the Archbishop of Canterbury and Bishop Manning that anything is preferable to divorce, and that even a popular King must be denounced if he has anything to do with it. The King is the British father-symbol, and his moral views are of great consequence to the millions who imaginatively identify themselves with him. In view of these considerations, we cannot believe that the Established Church did not play a leading part in the affair.

War Comes First
Edmonton Journal

Refusal of metal workers in Newport, England, to manufacture a surgery table because production of machine guns was occupying full time of the plant was just one of the recent experiences of Dr. Eardley S. Allin, former Edmonton student, who returned here recently after three years practising surgery in the Old Country, he told the Journal.

In the Mail

(Not over 200 words, please)

No Rail Competition in England

Editor, The Financial Post,

"Veritas," in his letter in your number of Dec. 19, 1936, criticizes some remarks of Prof. W. T. Jackman in a recent speech. Actually Prof. Jackman's statement, to the general effect that the railways of Great Britain had been brought together into four systems "each having a monopoly of the railway service in its own territory," comes far closer to being true than do the statements of "Veritas." To read the latter's letter one would believe that competition for business between the railways in Great Britain had continued unchecked, or almost unchecked, since the amalgamation of the railways into four systems. In fact, "Veritas" goes so far as to say that in setting up the amalgamations "competition was deliberately maintained throughout the main industrial areas."

The history of the situation is simply this: The many railways of Great Britain were amalgamated into four systems, each of which covers an important section of the country. Precise division along geographical lines was, of course, impossible, and, in order to make the amalgamation fit the operating needs of the various systems some overlapping was permitted to continue. It was not a deliberate attempt to maintain competition.

Later, the effect of this continued competition in defeating the object of the amalgamation became apparent and the railways were permitted to enter into a very elaborate system of pooling of traffic, for the specific purpose of eliminating what competition remained. The peculiar thing is that "Veritas" knows this, and points out that passenger tickets between points where competition existed were made interchangeable, and every other possible measure adopted to destroy any other elements of competition.

The trouble with "Veritas" is that he is trying to point out that British railway experience points in the direction of a solution of the Canadian railway problem by co-operation between the two railway systems, and not in the direction of unification. The British principle was to remove competition. In the British case this was entirely possible by amalgamation of the country's railways into four systems, and later pooling of services where competition still remained. A glance at the maps of Great Britain and Canada will indicate how inapplicable this programme would be to the Dominion. The original British main railway systems were fairly separate in function—each covering and serving a fairly well defined geographical area. In Canada the two great railway systems are essentially duplicate throughout the country, and cover and serve identical areas. It would be entirely impossible in this country to take any intelligent steps in the direction of assigning any important area of the country to the Canadian Pacific, or any to the Canadian National. Thus, Professor Jackman is right, and "Veritas" is wholly wrong. No important results can be obtained in Canada by such minor measures as interchange of tickets—although this is already being practiced wherever possible. The only solution in this country is a rationalization of the railway situation by unifying railway operations throughout the country. The real lesson to be drawn from Britain is that, in that country, competition between railways has been completely wiped out.

STUDENT.

Montreal, P.Q.

Social Credit in B. C.

Editor, The Financial Post:

Distorted facts appear to be the basis of your Edmonton correspondent's report regarding Social Credit in Alberta and British Columbia. Your headline to the effect that the movement in British Columbia "flops" is untrue and is simply propaganda to mislead the public of Eastern Canada and elsewhere. So, gentlemen, do not fool yourselves or attempt to fool the public that Social Credit is either "flopping" in British Columbia or is on the wane in Alberta.

You refer to the "collapse of his (Premier Aberhart's) new-born political organization in British Columbia." The actual facts are that with the growth of the official British Columbia organization, the Social Credit League of B. C., and its decision to run candidates in every constituency in the province, the other organization known as the Social Credit Union, and which was more or less sponsored by Premier Aberhart, decided wisely to dissolve, knowing, as it did, that it was only by joint effort of all sincere Social Crediters anything could be accomplished. That organization, therefore, decided to support the League, the only official organization in B. C., which is at present most active throughout the province, its membership daily gaining ground.

In regard to Alberta, my information from many authentic sources is that should Premier Aberhart and his Government appeal to the electors of Alberta tomorrow, not only would he be again returned to office, but he would carry practically every seat in the province with the exception, possibly, of a couple in Edmonton.

I notice in the same issue a glowing account of the situation in Turner Valley, which I understand is correct. The fact of this extensive development in oil and the large amount of capital flowing into Alberta for that purpose is surely contradictory to the belief that no one can trust the present Government or its policies. Yet it is through that same Government and its Minister of Lands and Mines, Hon. C. C. Ross, that this development is taking place.

P. H. DUNNE.

Victoria.

Stop Me If You've Heard This One . .

"One day I woke up and found myself famous, and—well, there you are."

"You're sure you don't mean you found yourself famous and then woke up."

Week in Business

Business Looks Forward To Important Period

Good and Bad Factors Merge in Outlook for 1937 — Prices, Labor and Legislation Are High Spots

Looking ahead in these days of political and economic uncertainty is at best a hazardous undertaking but no well-run business can avoid the responsibility of laying plans as it enters a new year and of charting the probable course it hopes to take. Elsewhere in this issue, leading Canadian businessmen have indicated the problems and prospects they see ahead for 1937 in their own industry. In this column an attempt will be made to enumerate some of the major factors common to most lines of business activity in Canada.

* * * *

Rising Tide of Prices

Most important is the general upswing in commodity prices. Basic raw materials have risen 75 to 100% from their 1933 low points and the slower moving index of 500 commodities at wholesale, compiled by the Bureau of Statistics at Ottawa, has risen 25%, of which 3% has occurred during December.

Even more important to Canada has been the very rapid upswing in prices of farm products during the last half of 1936. Reduced to an index number these have now risen above corresponding prices for manufactured goods for the first time in 6½ years. The farm price index itself has risen 80% since the low point of Dec., 1932.

There is perhaps no single business barometer in Canada that means so much to the general prosperity of the country as this relationship between the prices farmers receive and prices they pay. That these two are again in a favorable position augurs well for more general and widespread prosperity in 1937 than has heretofore been experienced in this country for many a year.

* * * *

Broader Recovery Base

Other favorable factors are the prospect for further expansion of foreign trade and the broadened basis of Canadian business. Just a year ago this column forecast a sharp upturn in foreign trade would be an outstanding feature of 1936. That this has been amply realized may be judged from the fact that 11-month figures show our exports up 22% and our imports 14% from corresponding figures of 1935. For 1937 it seems likely this increase will continue on a more moderate plane but along the lines of greater balance as between commodities and countries.

As to the broader base for Canadian prosperity it is obvious that 1936 recovery, though much broader than in 1935, has not touched every industry or area. Continued hard times in the construction trade and in the drought areas of Canada are cases in point. Prospects for 1937 indicate a further broadening of the recovery base although there is a distinct danger signal in the prairie west by reason of the unprecedented dearth of fall and winter moisture over great areas of wheat land.

* * * *

Labor Problems Loom

Among unfavorable factors the shadow of labor troubles looms large at the present time. Pressure is already severe at many points in the United States and this is bound to be reflected to some extent in Canada. Already paid organizers are attempting to line up Canadian workers in the textile and steel trades along the line of the industrial unions in the U. S., and as discussed in this column last week, the automobile manufacturers are already concerned as to the possible effect on spring production.

And not only do union problems and the increased cost of living loom ahead as difficulties that must be faced by employers, but there is also the prospect of a definite shortage of skilled labor in many trades

Favorable

Carloadings continued into new high ground for the year-end movement. Major factor as in previous weeks was the high level of miscellaneous freight loadings which totalled 30% more than in the same week last year. Movement of coal, forestry products and livestock was also at high levels.

Automobile Production figures were 19% lower in November than in the same month last year. The slump was due to falling off in demand for export models, which was less than half the corresponding figure for 1935. Domestic output in November was greater than in 1935.

Electric Power output in November declined from the previous month but remained substantially above corresponding figures for November, 1935.

Business Indicators as Compiled by The Financial Post

▴Denotes new figures this week.

	WEEKLY DATA — Latest 1936	1935	Cumulative Total — Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Dec. 19)	▴48,279	41,650	2,442,248	2,321,147
C.N.R. gross earn. (Dec. 21) .. $	▴3,754,676 $	3,490,836 $	180,702,865 $	168,544,540
C.P.R. gross earn. (Dec. 21) .. $	▴2,943,000 $	2,653,000 $	134,788,000 $	124,221,000
Business Conditions—				
Weekly index D.B.S. (Dec. 19)	▴113.9	99.7	....	....
MONTHLY DATA				
Business Conditions	1936	1935	1936	1935
Financial Post index (Nov.)	118.5	106.7	......	......
Transportation—				
C.P.R. net revenue (Nov.) ... $	▴3,838,651 $	3,455,408 $	19,769,303 $	19,091,510
C.N.R. net revenue (Nov.) ... $	▴2,383,271 $	2,329,155 $	12,227,251 $	12,091,780
Iron and Steel (November)—				
Pig iron production (tons)	74,337	64,562	610,173	529,147
Steel ingots and castings prod. (tons)	98,534	94,074	1,010,598	836,794
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Nov.)	5,373	5,201	84,620	77,998
Factory output (Nov.)	▴10,086	12,042	114,766	128,374
Trucks and Buses:				
Domestic sales* (Nov.)	618	814	19,417	17,377
Factory output (Nov.)	▴726	1,454	27,145	30,848
Exports (Nov.)	▴5,161	5,601	51,860	59,021
Construction—				
Building permits (Nov.) .... $	3,030,425 $	3,447,653 $	36,584,168 $	44,158,767
Contracts awarded (Nov.) .... $	13,840,400 $	8,290,800 $	156,469,200 $	155,940,100
Newsprint (tons)—				
Production (Nov.)	285,771	262,854	2,890,602	2,507,983
Exports, tons (Nov.)	295,832	244,037	2,706,830	2,297,244
Sugar (lb.)—				
Melting & sales§ (raw)	98,015,822	97,102,444	881,511,909	813,173,926
Manufactured§	157,483,110	137,439,534	959,927,834	891,945,739
Flour (bbls.)—				
Production (Oct.)	1,701,267	1,824,754	12,408,090	11,647,780
Wheat flour exports (Nov.)	408,653	525,368	4,374,789	4,437,189
Trade—				
Retail trade (index no. of sales) (November)	▴76.6	72.5	....	....
Imports (November) .... $	66,169,416 $	55,958,033 $	582,194,350 $	511,745,369
Exports (November) .... $	122,866,120 $	95,685,286 $	928,495,289 $	759,098,557
Wheat exports (bush.) (Nov.)	33,308,840	26,575,296	222,603,614	148,628,829
Employment, D.B.S. Index (Nov. 1)—				
All industries	111.0	107.7	......	......
Manufacturing	107.7	103.5	......	......
Electric Power Output (Nov.)—				
Total monthly m.k.h. (000's omitted)	▴2,261,090	2,143,314	23,167,895	21,247,887
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (November)	173,447	121,444	1,496,293	1,228,208
Boot & shoe prod., pr. (Oct.)	1,927,901	1,911,713	18,746,259	18,440,551
Crude petrol., imp. gal. (Nov.)	146,192,036	137,399,424	1,184,094,133	1,119,154,496
Cotton imports, lb. (Nov.)	21,105,486	13,814,244	129,444,442	107,433,529
Raw rubber imp., lb. (Nov.)	9,649,176	9,882,033	60,148,707	54,443,440
Coal imports, tons (Oct.)	1,628,259	1,314,128	11,039,650	10,845,382
Finance—				
Bank debits (Nov.) .... $	3,302,562 $	3,021,511 $	32,524,015 $	28,613,765
Bond sales (Nov.) .... $	48,870,271 $	147,733,500 $	1,184,495,796 $	865,215,890
Life insurance sales (Nov.) .. $	37,813,000 $	35,158,000 $	340,215,000 $	332,836,000
Automobile Financing (Oct.)—				
Used cars .... $	1,703,273 $	1,266,777 $	21,865,029 $	15,938,992
New cars .... $	1,519,272 $	1,096,937 $	26,064,055 $	19,882,187

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to November 30.

Investments for January Funds

Our current offerings include, in addition to Government and Municipal Bonds, a number of Public Utility and Industrial issues giving attractive yields. Some afford substantial possibilities of capital appreciation over a period.

A list will be forwarded promptly upon request.

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EDWARD VIII SOUVENIRS IN DEMAND

Demand from collectors for souvenirs of an uncrowned British monarch is expected to eliminate losses predicted by Canadian merchants on stocks bought in for the coronation of King Edward VIII. American firms are offering to buy in Canadian stocks while the Canadian public itself is showing a lively interest in counter and window displays such as the one shown from a downtown Toronto store. The suggestion has been made that further stocks might be ordered from Britain, though it is considered unlikely that the British Government would permit their export.

Business Generally Near Six-year Peak

TREND OF BUSINESS IN FIVE ECONOMIC AREAS

	November 1936	November 1935	October 1936	Inc. or Dec. November 1936-1935
Maritimes:				
Construction contracts .... $	574,000	376,000	1,056,000	+52.7
Building permits .... $	167,000	96,000	209,000	+74.0
Life insurance sales .... $ 000	2,563	2,300	2,053	+11.4
Bank debits .... $ 000,000	63.1	62.5	55.9	+1.0
Electric power .... kw.h. 000	59,642	43,977	59,616	+35.6
Employment .... 1926=100	115.3	107.5	119.4	+7.3
Tonnage of vessels, cleared	370,637	356,187	428,940	+4.1
Index	126.4	107.0	125.6	+18.1
Quebec:				
Construction contracts .... $	7,512,000	2,231,000	5,319,000	+236.7
Building permits .... $	638,000	519,000	857,000	+22.9
Life insurance sales .... $ 000	10,464	9,540	7,829	+9.7
Bank debits .... $ 000,000	1,088	878	1,031	+23.9
Electric power .... kw.h. 000	1,172,593	1,104,144	1,270,427	+6.2
Employment	112.6	103.8	110.3	+8.5
Imports of raw cotton	21,105,486	13,814,244	16,542,971	+52.8
Newsprint production	285,771	262,854	301,106	+8.7
Index	136.3	125.7	131.3	+8.4
Ontario:				
Construction contracts .... $	4,893,000	4,063,000	7,285,000	+20.4
Building permits .... $	1,670,000	2,355,000	2,067,000	—29.1
Life insurance sales .... $ 000	16,159	15,599	12,908	+3.6
Bank debits .... $ 000,000	1,504	1,301	1,342	+15.6
Electric power .... kw.h. 000	696,049	670,402	689,930	+3.8
Employment .... 1926=100	112.9	107.0	112.8	+5.5
Livestock slaughterings .... 1926=100	144.7	103.2	165.2	+40.2
Steel production .... tons	98,534	94,074	98,330	+4.7
Automobile production .... No.	10,812	13,496	5,361	—19.9
Index	116.7	106.7	112.7	+9.4
Prairie Provinces:				
Construction contracts .... $	390,000	1,132,000	803,000	—65.5
Building permits .... $	192,000	202,000	637,000	—5.0
Life insurance sales .... $ 000	5,513	4,708	4,833	+17.1
Bank debits .... $ 000,000	473	630	725	—24.9
Electric power .... kw.h. 000	159,017	148,888	163,499	+6.8
Employment .... 1926=100	98.6	101.3	108.0	—2.7
Wheat receipts .... bush.	9,046,000	21,043,000	22,551,000	—57.0
Wheat prices .... $ per bush.	1.085	.857	1.109	+26.6
Index	115.6	112.8	120.4	+2.7
British Columbia:				
Construction contracts .... $	470,000	490,000	495,000	—4.1
Building permits .... $	362,000	274,000	351,000	+32.1
Life insurance sales .... $ 000	2,835	2,620	2,216	+8.2
Bank debits .... $ 000,000	175.2	149.9	175.2	+16.9
Electric power .... kw.h. 000	131,238	134,540	154,446	—2.5
Employment .... 1926=100	101.5	99.3	105.4	+2.2
Index	119.4	108.5	122.0	+10.0

The return of prosperity was fairly general in Canada during 1936. The regional indexes for each of the five economic areas entered into higher territory than at any time for about six years.

During the early part of the year Ontario and Quebec passed through a consolidation period following the marked advance of the latter part of 1935. During the last few months of the year the advance was resumed to a new high point since the early months of 1930.

The advance in the Maritimes was even more spectacular, a steady climb having been shown throughout 1936. The standing in November was higher than at any time since the latter part of 1931. The fluctuation of business activity in the Maritimes has differed considerably from that of the remainder of Canada but the recovery of 1936 was relatively greater than in any other year.

Decline in West

Owing partly to an advance in grain prices and an active marketing of grain during the latter part of August and in September, conditions in the Prairie Provinces showed at least temporary improvement during the third quarter of 1936. The index in September reached a higher point than at any time since the latter part of 1930. A considerable decline was shown in the index for November and the reaction in the important statistical factors for the year reflected the unsatisfactory farming conditions of the present year.

With the exception of the last two months steady advance has been shown in business conditions in British Columbia since the latter part of 1932. The index in September reached a new high point since about midsummer, 1929. Some reaction was shown during the last quarter but even this reversal was relatively moderate in view of the rapid advance during the preceding months of the year.

Referring particularly to the development of November the financial factors were the main sustaining influence. Bank debits recorded increases in each of the areas except the Prairie Provinces. Seasonally adjusted employment recorded gains in Quebec, Ontario and British Columbia, while the output of electric power showed increase in Ontario and the Prairie Provinces.

Maritimes

Owing to low prices in the British market occasioned by heavy production in England, the shipment of Nova Scotia apples was somewhat delayed. During the week of Dec. 12 eight steamers cleared from Halifax carrying 41,000 barrels for the United Kingdom and one steamer with 1,000 barrels for the Continent.

The Nova Scotia Steel and Coal Co. and Eastern Car plants at New Glasgow were operating at 60% capacity. The Dominion Coal Co. employed 8,000 men at Glace Bay and 3.526 men were on the payrolls of the Dominion Iron and Steel Co. at Sydney. Rails are being shipped to South Africa, wire products and bars to Vancouver, billets and wire products to New Zealand and wire products to Australia.

Quebec

The index for Quebec moved up sharply in October and November resulting in a level of business activity far in excess of any other time since the early months of 1930. The index in November was 136.3 against 131.3 in the preceding month. A gain was shown in construction contracts awarded but the level of operations continues low relative to the base year of 1926.

Ontario

The rise in the index for Ontario during November was greater than in any other month of the year. It reached a higher point than at any time since mid-year 1930. The index was 116.7 against 112.7 in October.

Prairie Provinces

The continued mild weather favored drought areas as horses and cattle were running the range longer than usual and remained in good condition. The average precipitation for Saskatchewan from August to October was reported as only 57% of normal.

The coal mines at Drumheller were catching up on their orders and the falling off of activity was expected. Mild weather affected the demand for coal throughout the West.

The number of men employed in the oil industry in the Turner Valley has shown an increase. The trading in oil stocks on the Calgary exchange reached greater volume than at any time since 1929.

British Columbia

The index for British Columbia receded from 122.0 to 119.4.

It is forecast that the overseas lumber exports for 1936 will be well over the one billion foot mark, a new all time record. The log scale up to the end of October was 2,324 million board feet, a gain of 15% over the preceding year.

The fruit crop was a disappointment, amounting in some districts to only 70% of the 1935 tonnage. Growers, however, will make a small profit on the year's operations as prices were favorable.

Longshore strikers at U. S. ports endeavored to organize local men at Victoria against work without any success.

Quarterly Review of Canadian Business

A statistical summary of Canadian business to November 30, 1936, together with an article on the Canadian security markets. Write for a copy.

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Plane Traffic Up 1,000% In Five Years

Canadian Airways Head Tells of Advance Made Since 1931

By JAMES A. RICHARDSON, President, Canadian Airways Ltd.

Canadian aviation in 1936 has continued its contribution to industry in the hinterland of the Dominion. New routes have been established and today northern Canada is dotted with prosperous little communities, many of which are almost entirely dependent on air transportation.

J. A. RICHARDSON

During the year Canadian Airways business amounted to 10 times that of 1931 and covered passenger traffic, mails and freight shipments for mines, fur dealers, and distributors of food and other merchandise.

An outstanding example of the dependence which mining places on air transport was afforded during the past summer when over 800 tons of freight were transported from Goldpines, at the head of water navigation on Lac Suel, to Casummit Lake. This freight was carried for Argosy Gold Mines, and one of the stipulations was that the freight must be delivered before freeze-up, 1936.

Freight Machines

In Canada, where, in 1935, six-sevenths of all the air-borne freight of the British Empire was carried, a strong trend is evidenced toward more efficient freighting machines. These freighters are provided with large hatches, so that they may be easily loaded and unloaded. Units up to 1,950 lb. in weight have been carried intact, and loads of 2½ tons are today commonplace.

On the inter-city services, Moncton-Charlottetown, a heavier poundage of mail is carried than between any other two points in the Dominion. During 1935 this amounted to 219,514 lb., and 1936 shows a definite increase. Daily mail and passenger services are operated into the Central Manitoba and Red Lake areas from Winnipeg, Kenora and Sioux Lookout, providing the closest of connections between mining fields and cities.

The fur trade, too, has contributed its quota to the freight total of Canadian Airways. During the period January to October, 1936, over 36,000 lb. of fur was brought out from the northern posts.

Transport by air of fresh fish from the Lake of the Woods area for shipment by rail to eastern cities of the United States and Canada amounted to 242,777 lb. from January to October of 1936. Air transport renders many of the lakes in the Kenora district available for exploitation, lakes which otherwise would be economically inaccessible.

The following table shows the advance in business since 1931:

Year	Hours	Miles	Express lb.	Passengers
1931	19,143	1,832,794	704,449	8,047
1936*	18,759	1,770,132	7,163,567	17,944

*January to October inclusive.

Profit Sharing

More Canadian Companies Pay Year-end Bonuses to Employees

Wage increases and year-end bonus payments are being announced daily by various Canadian industrial concerns. Latest among Canadian companies to distribute a part of their earnings in this manner are E. B. Eddy Co., with a 5% wage increase to about 400 mill employees, Montreal Cottons Ltd., which distributed $60,000 in Christmas bonuses to employees, and National Breweries.

The Quebec brewing company distributed a cash bonus to all employees in Montreal and Quebec City, and at the turn of the year the minimum wage was increased in all plants and a number of special privileges restored. During the depression period National Breweries' employees received pensions, medical service, sick leave wage allowances and assistance to the employees' association, without curtailment.

Building Products Ltd. has increased the number of its employees by 23% during the last year, as a result of improvement in both sales and earnings.

Addressograph-Multigraph of Canada Ltd., this week announced that the bonus plan effective at the parent company's plant in Cleveland, was extended to the Canadian head office, branch and factory at Toronto. All salaried, piece work and hourly paid employees with one year or more of continuous service received one week's pay as a Christmas bonus.

Travellers

M. T. F. Laverty, newly appointed manager of the real estate sales department of the Royal Trust Co., leaves Edmonton early in January to assume his new duties in Montreal.

Attention to Investment Problems by Mail

Letters from clients asking for information on investment subjects or desiring to buy or sell securities receive prompt and careful attention. Transactions by mail with many of our out-of-town clients have been carried on for years with satisfaction.

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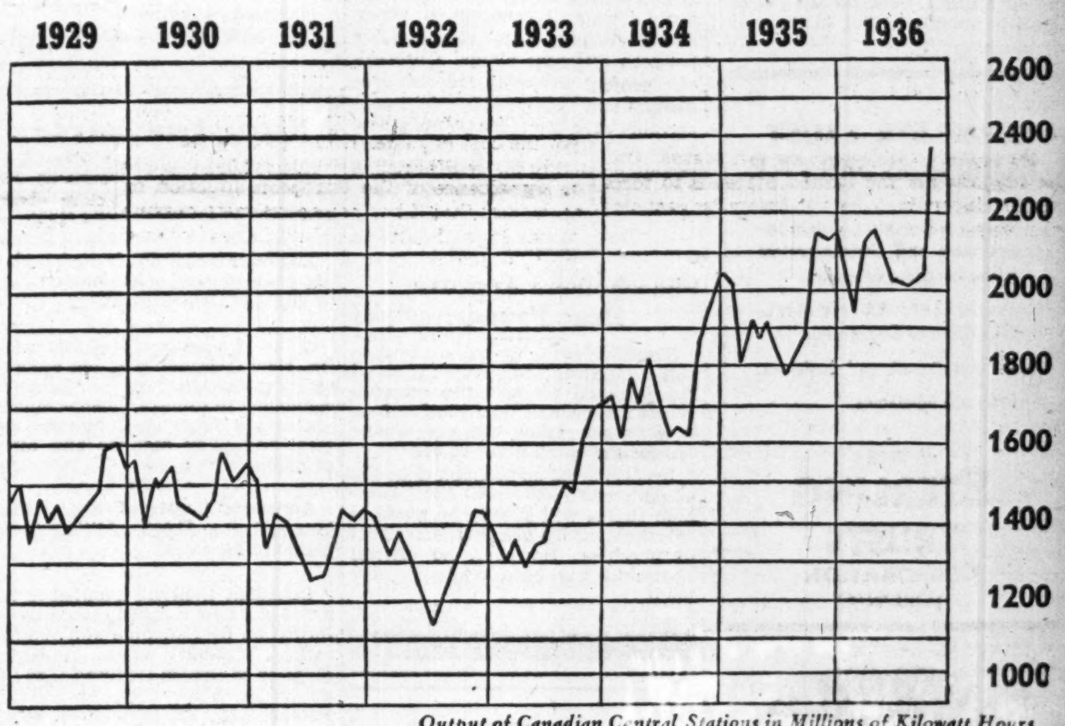
Electrical Output Curve Points to Still Better Business for 1937



Output of Canadian Central Stations in Millions of Kilowatt Hours

Keep Your Sales Curve Up . . . Modernize with GENERAL ELECTRIC EQUIPMENT

A YEAR ago, the upward trend of electric power production accurately foretold bigger business for 1936. And today, the same reliable barometer . . . showing an increase in central station output of 9.4% in the first ten months of 1936 over the corresponding period of 1935 . . . points to an even greater volume of business for 1937.

To take full advantage of the increasing opportunities for bigger business, more and more industrial plants are turning to electrical modernization.

C.G.E. engineers will be glad to show you how General Electric equipment can be effectively used in *your* plant to: (1) lower your manufacturing costs; (2) increase the production of your plant; (3) improve the quality of your products; and (4) substantially increase your profits.

Canadian General Electric can serve you efficiently through its five manufacturing plants and Dominion-wide sales and engineering offices.

CGE-17

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

In The Construction World

RESIDENTIAL and factory building promise to be two of the most active fields of construction during the coming year. In both, the amount of existing accommodation is admittedly inadequate. Not only is there an actual shortage but much of the space occupied is hopelessly out of date. In other lines, too, there is urgent need for new building but the prospects are not as bright for an immediate and large scale start as in the two mentioned.

The last two years have seen very substantial progress made in rehabilitation of retail stores and the provision of new ones. With such an amount of new building actually carried out, it is doubtful whether the pace in 1937 can show the same gain over 1936 as the latter year showed over its predecessor.

* * *

Railway Construction Needs Much Financing

IN ENGINEERING construction, which includes bridges of all sorts, roads, wharves and railroad building, admittedly again there is much replacement necessary. But financing continues to offer serious difficulties. Without very considerable Government aid, it is doubtful whether recovery has proceeded sufficiently for the railroads, which would be the largest customers, to go ahead on a nation-wide programme.

Building of new wharves and roads and the replacement of others, will undoubtedly furnish considerable activity, but both of these come under the category of Government construction and neither of them are usually expanded much beyond the routine point except in election years or in a period of serious depression. The year now starting does not promise to fit into either of these descriptions.

* * *

Deadline Approaching New Office Building

OFFICE or business building, a field which provided a market for much construction material and labor in 1929 and 1930, has been almost stagnant for over five years. Beyond some "relief" Government works, and the completion of a few structures halted in the early days of the depression, there has been little revival.

In some of the smaller cities or in those rare sections of Canada where the 1929 crash was of relatively minor account, some building of this kind is promised. But in the main, the office space situation in most Canadian cities still appears fairly ample for present demands. In several cities, skyscrapers erected in 1930 and 1931 have not yet been filled to the 90% line, which real estate authorities consider normal. However, in Toronto, Winnipeg and Vancouver the more modern buildings are approaching that line which when fairly permanently passed is usually the signal for more building.

* * *

Large-scale Building Seen in Housing

IN RESIDENTIAL building, on the other hand, all signs seem to point toward continued expansion. There was no recovery whatsoever from depression figures until the last few months. Consequently the lack of accommodation which got steadily more serious from 1930 on, is still very largely with us. Cheap money, radically different materials and designs, and new building methods should substantially stimulate expansion.

There is a lack of all kinds of housing throughout the Dominion and a steadily increasing purchasing power, two factors which given reasonably stable financial conditions cannot long stay apart.

The promised expansion is expected to be felt in all classes of residential construction but particularly in moderate and large-sized houses and in ultra-modern but medium priced apartments. This sort of building, which requires much labor and a great variety of widely diversified materials, will boost general business and the equipment companies rather than the specialized construction firms.

* * *

Need Is Serious For New Factories

THESE specialized construction firms, however, will benefit immediately from any general revival in factory building. And in this field, like that of housing, the signs pointing to expansion are not wanting. There has been a substantial improvement in the last few months. Factories that have been dawdling along on half time since 1929 soon develop weaknesses with the strain of full time.

Added to natural depreciation has been an even more potent factor, obsolescence. It is reliably estimated that modern replacement of 50% of the present factories in Canada would result in a saving of from 20 to 25% in operating costs. With some of these old factories already replaced in 1936 and still more slated for the scrap heap this spring, it is only a matter of time until the majority of the remainder are forced to fall in line. In normal times there can be no real competition where manufacturing costs vary widely between different plants. Outbreak of a general war, with feverish production and high profits, might conceivably give the older plants a new burst of life but beyond this rather remote possibility the general razing of Canadian factories over 25 years old is in sight.

Shareholders Approve Dom. Foundries Split

Shareholders of Dominion Foundries and Steel Ltd. have approved the proposal to split the common shares. They will now receive four new no par value common shares for each present share of $100.

It is reported as probable that the offering of an additional 36,000 common shares will shortly be made to stockholders by giving them rights to purchase. However, no official statement has been made on this point.

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to Plymouth and London
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Jan. 28 ASCANIA
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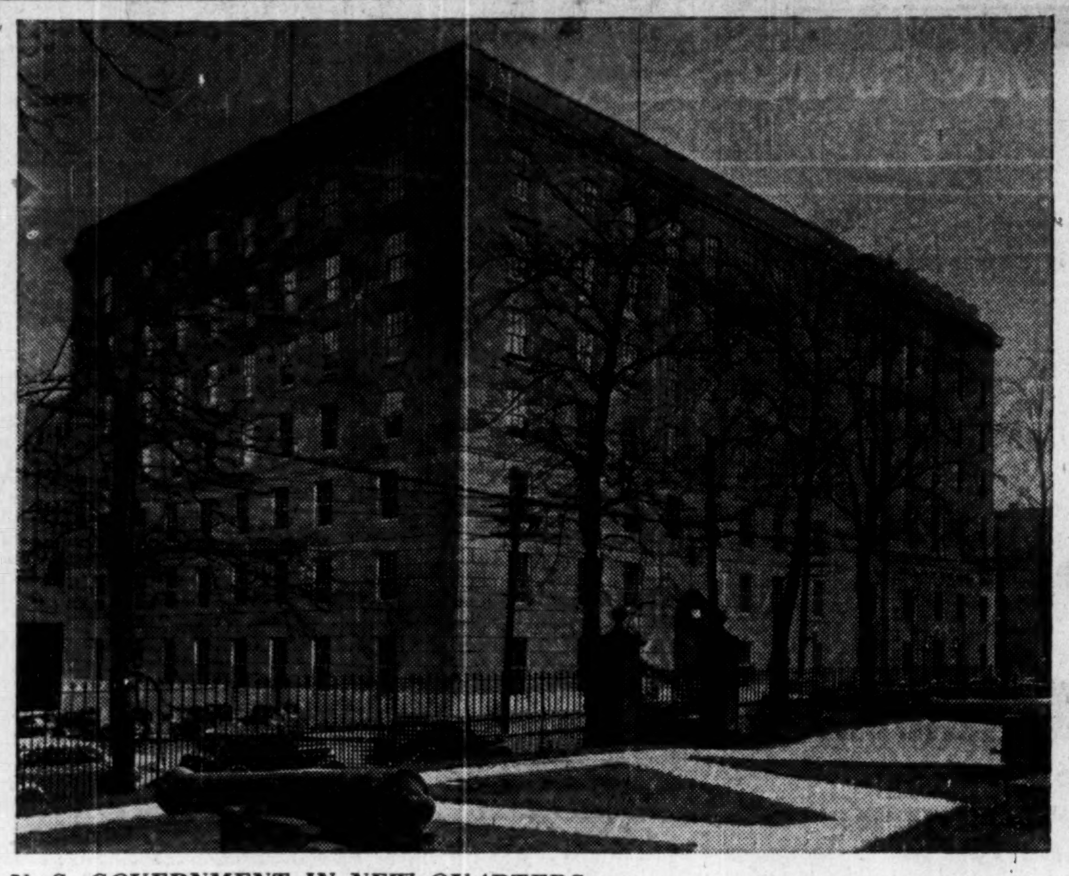

N. S. GOVERNMENT IN NEW QUARTERS

While the Nova Scotia legislative assembly will still meet in the 1812-built structure which faces the new building above, here is the location of the regular Government departments. General contractors were E. G. M. Cape & Co., Montreal and Halifax. This recently completed seven-story structure is practically 100% Nova Scotian in labor and materials. Wallace sandstone and Guysboro County granite were used.

Building Materials Output Shows Expansion in 1936

Illustrating the increase in general construction last year and auguring well for activity in the same line in the immediate future, are production figures of gypsum, cement and lime released by the Dominion Bureau of Statistics.

In every case production for the first nine months of 1936 was far in excess of the same period a year ago and more than equal to the total output in 1934.

Increased demand for gypsum is not only interpreted as an increase in general building activity but more particularly in the popularity of insulation. Gypsum as well as other insulating products is going in increasing quantities into both new and existing building.

Production figures in detail for the three products mentioned are as follows:

PRODUCTION OF BUILDING MATERIALS

	Cement		Lime		Gypsum	
	1936	1935	1936	1935	1936 (a)	1935
Month	Barrels	Barrels	Tons	Tons	Tons	Tons
January	96,512	53,953	30,206	29,337	4,887	3,508
February	94,602	71,404	28,133	29,070	2,877	3,297
March	167,129	131,907	32,929	32,867	5,329	4,464
April	293,538	246,340	36,296	35,285	40,007	26,582
May	418,839	391,123	39,239	34,457	76,634	58,452
June	559,321	434,706	37,294	32,769	136,537	75,707
July	539,145	457,175	36,927	34,018	132,461	91,704
August	601,387	479,402	36,598	33,455	81,896	81,424
September	701,763	480,844	40,100	35,005	87,510	48,174
October	......	517,219	......	38,731	......	59,400
November	......	266,346	......	37,534	......	67,885
December	......	117,667	......	32,891	......	21,267
Total—Calendar year	......	3,648,086	......	405,419	......	541,864
Total—Nine months ending September	3,472,236	2,746,854	317,722	296,263	568,138	393,312

New Industries

Runnymede Iron and Steel Co., Toronto, is planning construction of additions to its fabricating shop.

* * *

English Electric Co. is contemplating establishment of a manufacturing business in Oshawa, Ont.

* * *

G. W. Cummings Manufacturing Co., New Glasgow, N.S., has secured rights to manufacture the "Sargent" snowplow in Canada. The company operates a large steel foundry for steel and alloy castings and other products.

* * *

Aerocrete Construction Co., Ltd., is erecting a $4,000 addition to its plants in Montreal.

* * *

Canadian Celilynd Limited is the name of a new company in course of formation by Canadian and English capital. Coleman Smith, managing director of British Celilynd Ltd., D. Smith & Sons, Ltd., and Smith Patents Ltd., all of London, sailed for England recently after completing arrangements to form an American Celilynd Co. The proposed Canadian unit would be used for production of new lining processes for use in the paper and carton manufacturing industries.

* * *

Port Mellon Operating Co. will spend $1.5 million on a renovation and replacement programme at the company's Howe Sound plant. Capacity operations are planned for 1937 in connection with pulp to be converted in the Leadbetter mills in Washington and Oregon. The project is partly financed by British capital.

* * *

Ellett Copper and Brass Co. is erecting a new factory in Vancouver.

* * *

Mount Pleasant Sash and Door Co.; Supersol Products; Snuf-Bug Products Ltd.; Dominion Rustproofing Co.; Sam Sam Floor Co.; Kisameet Industries; Lawrence Manufacturing Co.; Maybury Engineering Co.; Cartwright Lumber Co., and Money Canning Co. are among new industries currently commencing manufacturing operations in Vancouver, B.C.

* * *

Kilgard Brick Co. has leased a site from the city of New Westminster in connection with a projected $25,000 plant.

* * *

Stedfast Rubber Co. of Canada is planning construction of a factory and power house along the Yamaska River, at Granby, Que.

* * *

Orillia, Ont. may shortly have a new shirt manufacturing industry, planned by Toronto interests who are arranging to occupy the former Canadian Mechanical Rubber plant at Orillia.

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Boost Predicted For Real Estate

Montreal Realtor Looks for Improvement in City Business

From Our Own Correspondent

MONTREAL. — Montreal is due for a substantial improvement in real estate, according to a statement made by Paul Dansereau, president of the Montreal Real Estate Board, branch of the Montreal Board of Trade.

In setting forth his reasons for this prophecy, Mr. Dansereau makes the following points:

"Better business conditions are providing higher incomes and more employment. Many families who moved away from urban districts during the depression will return to the city. There will be less doubling up of families and more marriages. The number of vacant dwellings in the district of Montreal has decreased steadily from 1932. In that year vacancies totalled 13,050; in 1933, 11,550; in 1934, 8,678; in 1935, 6,501, and preliminary reports indicate that for 1936 the vacancies will be at least 2,000 fewer.

New Building Lags

"New building during the past year has not kept pace with the natural increase in population. For each of the ten years prior to 1932, construction in Montreal averaged $33 millions compared with an average of less than $7 millions for each of the five years from 1932 to 1936 inclusive. We are, therefore, facing a serious housing shortage during the next few years. This shortage, when considered with increased population, better business conditions, higher earning power, less unemployment, more marriages, and less doubling up, means higher rentals and better values."

No Longer Mark Foreign Brick

Finding apparently that the permanent marking of building brick with the country of origin presented unforeseen difficulties, the Department of National Revenue has now rescinded the 1926 regulation governing this point. The regulations called for a permanent mark and one that would not be obscured in the using of the article. With only one side exposed and that supposed to be decorative, when the brick was used in a wall, where and how to put such a mark proved embarrassing. In any case bricks are not imported to any great extent and as a matter of fact, due to their bulkiness and weight, they are not used in quantity far from their various places of manufacture.

Other Markings

However, new worries in this respect present themselves to the construction and other industries as effective Jan. 1, 1937, the following additional classes of goods will be required to be marked when imported into Canada:

Fibreboard, strawboard, sheathing and installation board, manufactured wholly or in part of vegetable fibre.

Wax paper in rolls or sheets, wrapped banded and boxed or packaged specially for household use.

Bicycle saddles.

Predicts Jump In Paint Jobs

Despite Big 1936 Gains, Market Held Barely Touched

While sales of most paint, varnish and enamel products were considerably increased in 1936 over 1935, it is realized by every dealer, wholesaler and manufacturer in Canada, that the potential market for decorative and protective paint products has only been barely touched, states Hardware and Metal, Toronto. In every community there is an opportunity presented to hardware dealers to stimulate interest in the modernization and improvement of property to the ultimate benefit not only of the home owner and community but of the dealer himself in the increased sale of paint and varnish products, as well as many other hardware lines.

Home Modernization Help

Manufacturers of paints and varnishes are preparing their dealer help material and other publicity to tie in with the theme of the Home Improvement Plan. The opening of the spring season should bring one of the heaviest demands for paints that the industry in Canada has ever experienced.

No matter what other type of rehabilitation is done, it usually results in a paint job.

In this connection it is interesting to note that of the $500 millions spent on home modernization in the last two years in United States, approximately 10%, it is estimated, went for painting jobs.

Outlook Believed Better For Standard Paving

While little improvement is expected in the current year for Standard Paving and Materials Ltd., the outlook for 1937, it is understood, is more encouraging. Volume, it is believed, has improved but prices have remained low. Considerable new work has been secured in the Maritime Provinces and more is believed pending.

Last year the company had a net loss of slightly over $42,000 as compared with losses of $64,000 in 1935 and almost $240,000 in 1934. In 1932 the company earned $5.49 on its preferred stock and paid $7. Capital as at March 31, 1936, was almost $380,000 and there was no bank loan. The company has no funded debt.

Steel Co. of Canada Continuing Expansion

Second phase of the Steel Co. of Canada's big construction programme announced a year ago got under way with a building permit for the $225,000 superstructure for the addition to No. 2 open hearth furnace at Hamilton. Foundation for this, costing $65,000, is already under construction by A. W. Robertson & Co., Toronto contractors.

Contract for the superstructure has been awarded to the Hamilton Bridge Co. with the sheet metal walls and roof being handled by Thomas Irwin & Sons.

Quebec Lumber Camps Look for Active Season

From Our Own Correspondent

MONTREAL.—About 40,000 wood cutters will be employed in Quebec lumber camps during the winter season, while the cut is expected to be somewhat larger than reported a year ago, according to preliminary estimates prepared by the provincial department of Lands and Forests.

The estimated cut is: pulp, 200 million feet in logs and 272 million feet in cords; hardwood, 30 million feet; sawmill pine, 80 milion feet; sawmill spruce and cedar, 160 million feet.

Windsor Court Apartments To Pay 1933 Interest

Chartered Trust and Executor Co., advise holders of the 6% first mortgage bonds on Windsor Court Apartments Ltd. that the interest due June 1, 1933, is being paid on and after Jan. 2, 1937.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
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220 Rooms

Steel Plants Are Securing New Markets

Despite Slackness in Construction, Employment Now 86% of 1929

SEE BRIGHT FUTURE

By T. F. RAHILLY
Gen. Mgr. Algoma Steel Corp.

Increasing activity in the construction and automotive industries and prospects of new purchases for railroad track and equipment promise well for the steel industry in 1937. Recovery here should give additional momentum to the upward movement already provided by a fast-expanding mining industry and almost complete restoration in many forms of manufacturing.

The steel industry will be able to take full advantage of this returning prosperity because during the depression years many new shapes and sections have been added to the list produced in the Dominion. Most of the more widely used sections of steel are now made in Canada. As a result employment in the primary iron and steel industry exceeds 1930 levels and is 86% of 1929, in spite of slackness in the construction and railroad equipment industries, two of the heaviest consumers of steel.

Employment Boosted

When normal conditions prevail through all our industries, employment in the primary iron and steel industry should exceed 1929. This will be necessary to produce the heavier structural shapes, sheet piling and tin plate which have been added to the list of Canadian products since that year.

There is a considerable potential demand at the present time for products which require steel in their construction. Canadian purchases of agricultural machinery, railway cars, locomotives, steel rails, automobiles, have been below normal since 1930. It is fair to estimate that there exists a potential demand for these products amounting to several years' normal production. It is important to note that without beginning to fill this type of demand we have been able to reach the current state of business activity. It shows the importance of our mining, consumer goods and natural products industries.

As statistics show, consumer goods industries feel the effects of rising prices and increased purchasing power before all others. It is probable that recovery will be accelerated from this point by a decisive pick-up in the heavy industries. Business activity should go to new heights when these two groups of industries begin to propel each other.

The so-called "heavy industries," which are the ones I refer to as carrying on the secondary phase of our business recovery, offer opportunities for development in Canada. There has been a gradual growth of these industries and the volume of output which will be required in the next few years will quicken this growth very considerably.

Algoma Development

It has been the policy of Algoma Steel to keep abreast of Canada's development by gradually rounding out its production of steel shapes and sections as demand for them arose. Bessemer steel rails were the principal product when rolling began in the Sault plant in 1902. They were the first standard rails produced in the Dominion. Four years later the manufacture of open hearth steel was undertaken. This was closely followed by construction of byproduct ovens for coke production and installation of merchant mills for producing railroad track accessories, bars and light structural sections. At this time 98% of Algoma's production consisted of rails and rail fastenings for Canada's rapidly expanding railways.

Big Diversification

Now in some years as much as 85% of our output goes to meet other demands. Since the war we have been diversifying our production with the manufacture of alloy and structural steels to take the place of imported steels of this type. In 1931 a new 30-inch structural mill was completed and has been gradually equipped with rolls to manufacture an increasing range of heavy steel products for Canada's mining, manufacturing, construction and transportation industries.

In 1935, 15-inch and 12-inch I-beams, 15-inch channels, centre sill zee bars for railway car building and steel sheet piling for use in dock, sewage disposal plant and mine shaft construction were produced. New products introduced this year include 12-inch, 10-inch and 8-inch channels, 10-inch and 8-inch I-beams and an 8 by 6½-inch wide flanged beam or modified "H" column section.

Big Railroad Bridge For Fredericton, N.B.

The Canadian National Railway bridge across the Saint John River at Fredericton, N. B. is to be built this year. Cost is estimated at approximately $1.5 million. The bridge itself will be about half a mile long.

It will replace a former structure which was badly damaged by ice and floods last spring and subsequently demolished. Reconstruction was held up pending a decision regarding the location of the new structure.

Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Asphalt Roofing Output Far Above Previous Years

Production of asphalt roofing is running higher than for many years past. For the first 11 months of 1936, for instance, asphalt shingles totalled over 352,000 squares as compared with 273,000 for the same period in 1935 and 286,000 squares for the whole of 1935. Production for the current year to date in 1936 is more than equal to the total production in any of the years from 1932 on.

In smooth surface roofing the same proportion holds true with a total of 750,000 squares for the first 11 months, which is exactly 100,000 above the first 11 months in 1935 and more than equal to the total for 1935.

Copeland Flour Mills Co., Midland, Ont., is considering possible plant extensions in 1937.

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On de highway, chemin de fer, too;
Wit' de hydro, de pulp an' de paper,
Dose fellows gran' boys, I'm tell you!
Me, I'm proud for bein' cook to dose fellow
An' I'm wishing dem all, now an' here,
De fines', mos' grandes' good wishes
For de swelles', mos' prosp'rous New Year."

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THE FINANCIAL POST

SECOND SECTION

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 2, 1937 | 10c a Copy; $5.00 a Year | No. 1

Canada Enters on New Year of 1937 Under Clearing Skies

Stock Market Outlook Basically Favorable

But Irregularity or Weakness May Be Seen in Early Months of New Year

By C. W. STOLLERY

The flood of year-end statements outlining improvement for 1936 and expressing optimism for 1937 makes it apparent that businessmen are confident that economic conditions will be good in the new year.

So far, so good, for the stock market.

Economic conditions alone, however, do not govern intermediate movements in stock markets. There are subsidiary influences indicating that irregularity or weakness is not unlikely in stocks for at least part of the new year. Individual issues, of course, can move against the general trend, depending on circumstances in the particular case.

In appraising the outlook for the stock market a year ago. The Financial Post suggested that prices in 1936 might range up to 20% higher than in 1935. This was on the conservative side, as market averages in both New York and Toronto advanced more than 25% in 1936, and in Montreal the exchange index for industrial stocks rose more than 55%.

Reason for Doubt

Among the chief reasons for doubts about the current stock market position are these:

1. Protracted advance of stocks since March, 1935, with only moderate hesitation in the spring of 1936.

2. Diminution of the flow of year-end dividend increases and lack of what might be termed the anticipatory stimulus.

3. Intensification of European political unrest and consequent fears of war.

4. Unsettled labor conditions and rising industrial costs, particularly in the United States.

These are the immediate uncertainties affecting stock prices. For the long run, however, basic influences are favorable for resumption of the rising price trend of the past four years. A period of hesitation in the early months of 1937 may, therefore, be best regarded by the long-term investor as a time to consider investment in equities.

The most striking recent trend in stock market movements has been weakness in New York. This is particularly important to Canadian markets because, as shown in the accompanying chart, they almost invariably respond to the Wall Street trend.

New York Movement

What has been happening in New York is that stock market averages have dropped low enough to indicate that further recession may be coming in the next three months. Market analysts suggest that this will be established as a probability if the Dow-Jones average for industrial shares breaks through 172.3. The present level is slightly below 180.

On the other hand a definite halt of the recession around 172.3 would be regarded as a signal that the period of weakness is over. Pending clarification of this movement there is little need for the investor to rush into the stock market. Caution is being advised in new purchases, but indiscriminate liquidation of share holdings does not appear advisable.

Other temporary influences for uncertainty in stocks, mentioned in the foregoing, are self explanatory. It is noteworthy, however, that the fear of war was sufficiently real in one recent large financial transaction to have the deal made conditional upon maintenance of peace in Europe.

Force of Recovery

Among basic influences for higher prices for stocks is the force of recovery itself. Like the forces of depression, those of recovery are cumulative, but they have yet to envelop such important industries as agriculture and construction. Newsprint and agriculture have begun to feel recovery but have a long way to go before reaching what may be considered normal. And the construction trades have hardly started on the road back to prosperity.

Comparative recovery of share prices, by industries, is tabulated below:

Rise of Share Groups
D. B. S. Indices 1926=100

Group:	Dec. 10 1936	Dec. 12 1935	Incr. %
Pulp & paper	28.7	15.5	85.2
Flour milling	110.1	75.0	46.8
Miscellaneous	422.1	300.5	40.5
Iron & steel	165.8	126.3	31.3
Power & traction	79.4	62.5	27.0
Foods	178.2	148.5	20.0
Transportation ...	33.1	28.0	18.2
Telephone & tel. .	120.6	109.4	10.2
Textiles	73.5	70.5	4.0
Oils	220.5	215.8	2.2
Beverages	141.5	165.4	*14.4
Average	133.4	113.3	17.7

*Decrease.

Scope for Profits

As was the case a year ago, the greatest scope for investment profits in common shares appears to lie in the fields where the least recovery has occurred. In 1936, the greatest proportionate stock market advances occurred in newsprint, flour milling, power and transportation, iron and steel and in shares of specialized industries.

If the most depressed stocks can still be regarded as those with the best prospects of further recovery, then 1937 should bring improved values particularly for pulp and paper, transportation, iron and steel, power utilities, and perhaps for textile shares.

A lengthy debate could be conducted on the subject of how long the stock market advance can be expected to continue. Opinions vary widely, but few commentators suggest a shorter period than two years or a longer one than five years. The consensus, however, is that the end is not yet, although interruptions in the rise are sure to develop from time to time.

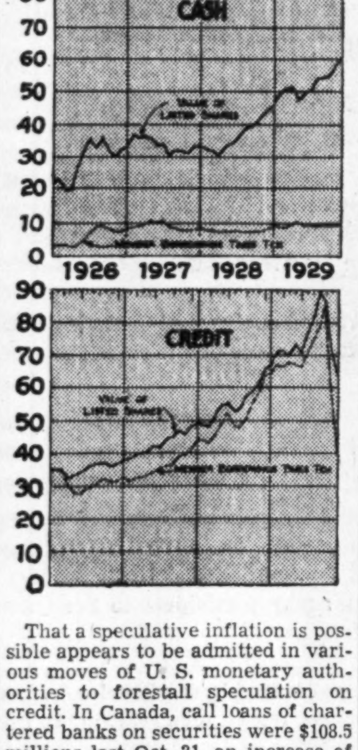
Under these circumstances, the investor in common shares can continue to anticipate higher prices and the greatest relative advances should be recorded in shares in industries which are just starting their recovery.

Even though temporary unsettlement may develop in stocks, the basic forces which have brought about the advances of the past four years will remain at work beneath the surface. Foremost among these is the ample supply of cash and credit to support investment markets.

No less an authority than Winthrop W. Aldrich, chairman of the Chase National Bank of New York, has stated that there is a great volume of "idle deposits" awaiting investment. "You do not need additional expansion of bank credit," he states, "to set these funds in motion. They are already there waiting. Growing confidence could easily lead to a stampede of buying on the part of investors."

A Cash Market

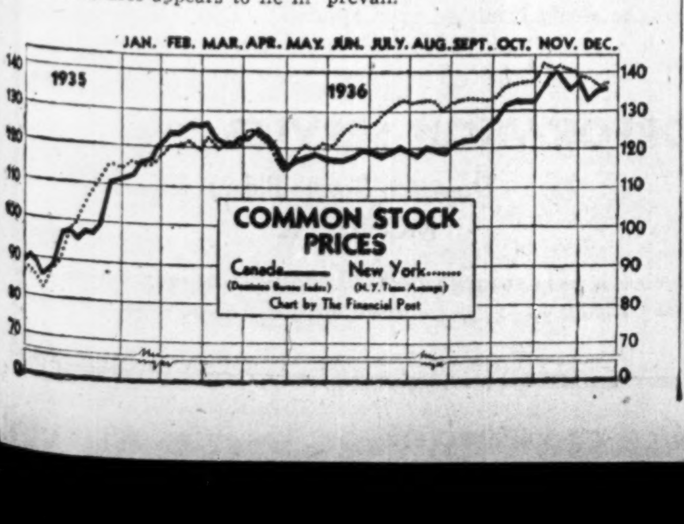
This summary is borne out by the bulletin of the New York Stock Exchange which says, "This is eminently a cash market, and as such is relatively devoid of the major characteristic of a speculative inflation, the use of borrowed money." The contrast between the cash market of 1936 and the credit boom of 1929 is shown in the graphs herewith.

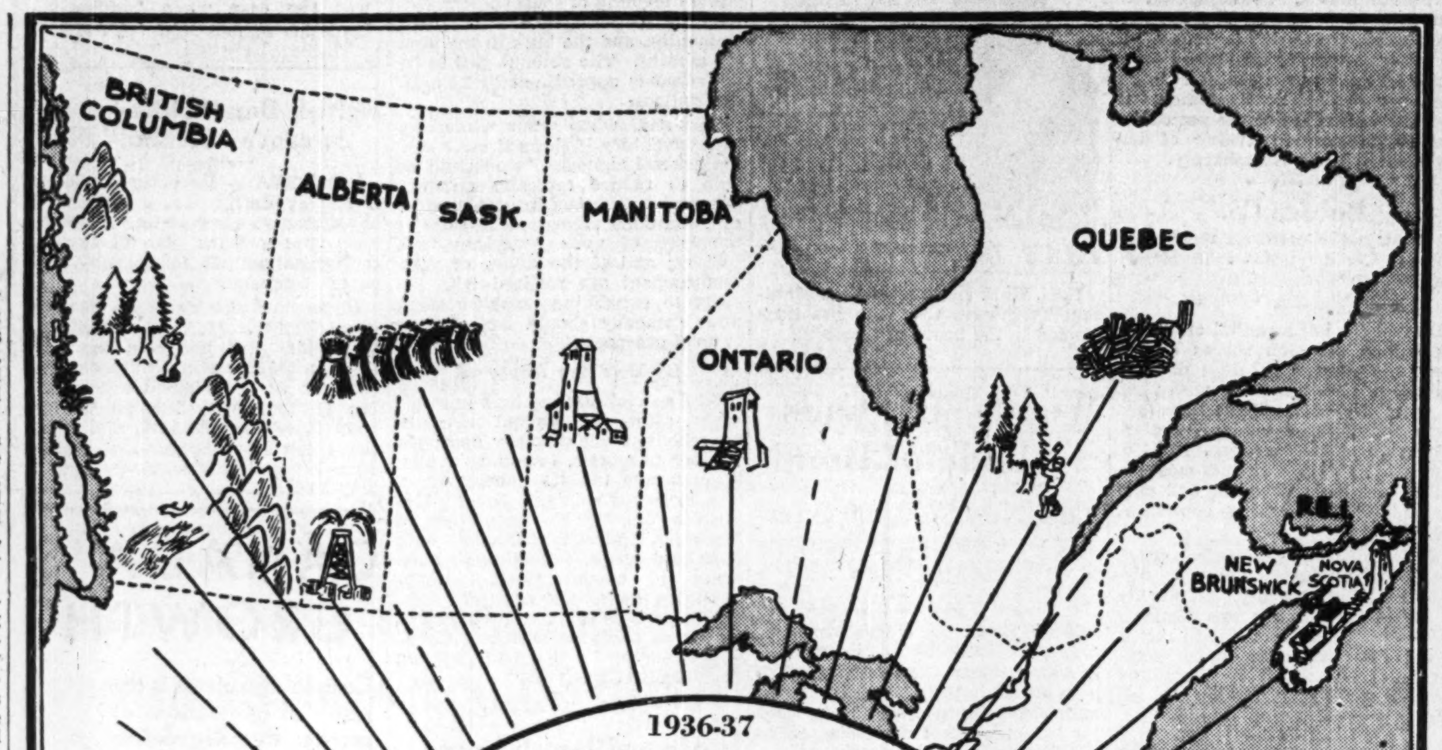


That a speculative inflation is possible appears to be admitted in various moves of U. S. monetary authorities to forestall speculation on credit. In Canada, call loans of chartered banks on securities were $108.5 millions last Oct. 31, an increase of $34.8 millions in 12 months. This is indicative of increased speculative purchases of securities.

In Canada, Great Britain and the United States, monetary authorities have seen to it that funds are ample to support business recovery and in doing so have laid a strong foundation for firm stock markets. Nevertheless, part of the influence of cheap money appears to have spent its force; the low level of interest rates does not appear likely to drive stocks much higher. But this does not prevent greater use of money by industry to expand earnings, and in the stock market for speculative purposes. In these respects the influence of cheap money for higher share prices remains at work.

Putting different forecasters' views together the weight of opinion is that the general level of prices will be irregular in the first half of the new year, perhaps touching lower levels than at present, but that toward the close of the year higher prices will prevail.





1936-37
Vanishing wheat surplus.
New peak for newsprint output.
$40 millions in railway contracts.
Mineral production estimate $215 millions.

- - - And a Prosperous New Year

Continued Advance in Canadian Industry Forecast by Business Leaders—"Restrained Optimism" Keynote for 1937

Continued Progress

OUR country is still continuing its already marked progress upward from the depths of the economic depression as evidenced on every hand by increased activities in our factories, a vastly increased production from the primary industries, and by a factor which is extremely cheering to all who take an interest in their fellow men, namely a very appreciable reduction in unemployment.

SIR EDWARD BEATTY

Without projecting available statistics past the end of the current year. I feel confident that the growth and progress experienced in 1936 will continue and will increase in volume during 1937. A prophet stands always in a dangerous rôle, but in spite of this fact I cannot help but feel that if our country is blessed with an average, or better than average crop in 1937, Canadians will be able to enjoy a far more soundly based measure of continued prosperity than has been the case in the year just ending. Canada has many problems, chief among which is that presented by the railway situation, which, I believe, should be dealt with as a matter of primary importance.

I have faith in Canada, its people and the company of which I have the honor to be chairman and president has shared in the growth of our country, even as it has contributed to its up-building.—*Sir Edward Beatty, Chairman and President, Canadian Pacific Railway.*

Newsprint Gaining

PRESENT indications are that the newsprint industry will set a new high mark in 1937 with operations at 85% to 90% of rated effective capacity and at an even higher percentage of actually available capacity.

In dollars, however, the industry in 1937 will continue to operate on an uneconomic basis. While commodity prices as a whole are now far in advance of 1932 levels, the 1937 domestic contract price of newsprint is still nearly six dollars a ton below the 1932 average.

The industry's outlook is more encouraging than it has been for several years, but it is well to realize that fundamental weaknesses of sales and delivery method remain unremedied. Both producers and consumers of newsprint would benefit by re-grouping and sound consolidation of various Canadian mills. —*Charles Vining, president, Newsprint Export Manufacturers Association.*

Wheat Vanishing

THE world enters 1937 with a greatly improved position relating to wheat. The burdensome carryover, which was mainly concentrated in Canada, and which has been existent since 1928, will have disappeared before another crop is harvested in Canada. Initial steps have been taken by wheat importing countries to modify import restrictions and there are indications that further modification will take place during 1937.

Prices are on the most satisfactory basis that they have been since 1929 and buyers are taking the wheat freely at current values.

The unfortunate factor in so far as the wheat farmer is concerned is the existent severe lack of both surface and subsoil moisture throughout great areas of Western Canada. It is to be hoped that Providence will send bountiful snowfall and rains throughout Canada in 1937.

By the end of the current crop year Canadian wheat stocks should be reduced to 40 million bushels, which was the average carryover in the five-year period 1923-1927 and may be considered normal under modern conditions. — *H. E. Sellers, president, Federal Grain Ltd., past president, Winnipeg Grain Exchange and director, Imperial Bank of Canada.*

Restrained Optimism

THE outstanding feature of 1936 is that industrial activity has increased to a point where continued steady improvement may be expected and planned for. The increase in railway gross revenues has been such as to justify confidence in the outlook and to enable the Canadian National Railways to plan constructively for the future.

S. J. HUNGERFORD

In view of the increasing traffic which may be anticipated it is expected that the Canadian National will again be in the market for capital goods, the production of which is characteristic of the second stage of recovery from an industrial depression.

Canada is unquestionably entering this second phase and the country may look forward with confidence to recovery in all lines of trade. The improved general outlook may be regarded with restrained optimism. —*S. J. Hungerford, chairman and president, Canadian National Railways.*

Milling Outlook

MILLING affairs in 1936 have shown a distinct improvement over the previous year, chiefly as a result of a general betterment in business conditions. There has been a less intensive competition resulting in better average price levels in the domestic market. Unfortunately there has not been much increase in export sales and it is doubtful if any appreciable volume can be looked for in future, from other than the Empire markets.

It would appear from present conditions that Canada's surplus wheat will be a thing of the past before the next six months have passed and this is a situation which may result in heavy premiums for cash wheat until the movement of the new crop and a resultant higher price ruling for flour than the Winnipeg option price would indicate.

From now until the new crop year the conditions are such as to occasion the mills some cause for anxiety both in respect to availability and cost of supplies. The possibility of export in volume for the remaining months of the crop year are in great measure in relation to the latter factor.—*C. H. G. Short, general manager, Lake of the Woods Milling Co.*

New Construction

THE construction industry has been finding its feet during the past year with totals estimated at more than $180 millions and representing principally private enterprise. More industrial and business building, particularly plant extension, is inevitable in the coming year, while home construction is gradually gaining momentum.

Since the year has ended with few large stocks carried over new construction is going to benefit the manufacturer and provide employment in all affiliated industries. Prices at present, due to the competition of recent years, are lower than justified and it is reasonable to expect an advance.

I am confident that Canada's future development means greater employment of both skilled and unskilled labor through the construction industry and would ask the cooperation of other industries, citizens and governments in releasing every dollar possible for construction during the coming months.—*F. G. Rutley, vice-president, Foundation Co. of Canada.*

Hopes for the West

THE West as a whole made substantial progress toward recovery in 1936 and hope runs high for 1937, but there are still many complexities.. Increased rural purchasing power rubs shoulders with drought relief. Despite these seeming contradictions there are many bright spots. Retail and wholesale trade and industrial output all show improvements. Mining is making great strides, providing a demand for supplies and machinery. The wheat surplus is rapidly disappearing and farm equities are increasing. Prospects for the building and construction industry are much brighter. As result of these and other favorable factors, confidence and initiative are definitely in the ascendency.—*E. C. Gilliat, secretary, Winnipeg Board of Trade.*

Power Barometer

THE electrical industry substantially participated in the progress of business recovery during the year of 1936 and the outlook for the coming year appears favorable in the light of the stronger economic foundation now prevailing.

The increasing use of electric energy throughout the industrial field is extremely gratifying as it indicates greater industrial activity with its resultant increase in employment, larger payrolls and greater purchasing power. Expanding operations in manufacturing and mining have been important factors in the larger consumption of electricity and responsible for an increased demand for electrical apparatus to provide more efficient production at lower cost.

The production and use of electricity in Canada during the year exceeded all past records. The central station output in 1936 was about 8% greater than in 1935 and 23% greater than the year 1929, exclusive of export and power used for electric steam generators.—*D. C. Durland, president, Canadian General Electric Co.*

Economic Expansion

THERE is every reason to anticipate a period of economic expansion which will put all former experiences in the shade. Improvement in farm income, increases in building, in newsprint, mining and general industrial production point toward better conditions. The national financial structure is improving rapidly and there is a broader credit base for capital undertakings and for business operations than has ever before existed.

Optimism is the keynote of the day yet there is every need for caution in expansion operations. The duration and soundness of future growth depend upon the care we exercise in taking advantage of improved conditions. Incaution resulting in unbalanced or overexpanded operations will exact due penalties. Prices must be kept at a reasonable level. Inflated prices will quickly cause curtailed buying and postpone the generally improved standards of living.—*John D. Mansfield, president, Chrysler Corporation of Canada.*

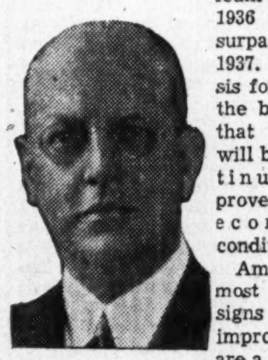
Steel Future Bright

INCREASING activity in the construction and automotive industries and prospects of new purchases for railroad track and equipment promise well for the steel industry in 1937 and the years immediately ahead. Recovery in these industries should give additional momentum to the upward movement already provided by a fast expanding mining industry and almost complete restoration in many forms of manufacturing.

Canadian purchases of agricultural machinery, railway cars, locomotives, steel rails and automobiles have been below normal since 1930. It is fair to estimate that there exists a potential demand for these products amounting to several years production. The steel industry will be able to take full advantage of this returning prosperity because during the depression years many new shapes and sections have been added to the list produced in the Dominion. Their production has already resulted in a direct increase in Algoma Steel payrolls.—*T. F. Rahilly, general manager, Algoma Steel Corp.*

Oil Prospects

IT IS generally expected in the world oil industry that the all-time records established by the production and consumption of petroleum during 1936 will be surpassed in 1937. The basis for this is the belief that there will be a continued improvement in economic conditions.



G. HARRISON SMITH

Among the most hopeful signs of such improvement are a growing realization of the interdependence of all countries and a wider acceptance of the principle that even the wealthiest and most powerful nations cannot thrive unless there is economic stability and prosperity in other lands.

While there are many disturbing factors, foremost of which are the unsettled conditions in Europe and the tremendous burden of taxation which tends to retard progress, there has been a steady betterment of affairs resulting in expanding trade, increasing employment and higher levels of income for primary industries.—*G. Harrison Smith, president, Imperial Oil Ltd. and International Petroleum Co.*

Fishing Industry

I LOOK forward to definitely better times for the fishing industry in 1937. During the year just past the industry on the Atlantic coast has shown noticeable improvement. By-products such as fishmeal and oils have been developed and their use in the feeding of poultry and cattle has tied the fisherman closely with Canadian agriculture. Shipments of fish and by-products have helped and will help recovery of our railway systems while on the other hand, fishing communities are becoming increasingly important as customers for the manufactured products of the Dominion. — *A. H. Brittain, president, Maritime National Fish Ltd.*

Shoe Price Issue

THE shoe and leather industry in Canada and the United States faces a critical situation in the new year, due to the failure to advance retail prices to meet an 80% jump in the price of raw materials. If this crisis is to be passed safely the first move of the shoe manufacturer must be to obtain a substantial mark-up in price to retailers.

A month has passed since the Canadian tanners, at a meeting in Toronto, took the stand that the shoe distributor should advance his prices to meet this situation. During the month raw materials have taken a further jump of 10%. With improved standards of living in Europe and all European countries absorbing quantities of leather for rearmament programmes, the increasing demand for hides and skins has brought a commensurate increase in price. This increase must be faced, and, in addition, just as certainly as night follows day, increased wages must be paid throughout the leather industry, thus bringing further costs to the shoe manufacturer.—*Aubrey Davis, President Davis Leather Co.*

Automotive Exports

THE year 1937 will undoubtedly be an outstanding one for the automotive industry in Canada. Manufacturers in the Dominion will produce for domestic and export sale a number of cars and trucks which will compare closely with the peak output of 1929.

Already the signs foretell an increase of 30% in export volume, while retail sales within the Dominion indicate a somewhat similar gain. In 1936 exports amounted to

(Continued on page 15)

Upward Trend in Mining Likely to be Continued

Uniform Advance in Production, Stock Prices and Exploration Points to Healthy Condition of Industry

By WILFRID SANDERS

If, in 1937, the mining industry of Canada continues to expand on the same scale as in 1936, it will rank as Canada's No. 1 industry. Belief that it will is not confined to the professional optimist.

The mining industry, like every other industry, is subject to trends. This trend has been upward since the first of the century, temporary drops in the value of gross output being due to conditions outside the industry. The temporary drop in 1931, 1932 and 1933 was due, of course, to the fact that general industrial depression cut off the markets for Canada's base metals. Gold, for which there was a ready market at enhanced prices throughout the depression, has shown a steady rise in value of output since 1923.

Today, at the start of a new year, the mining industry is in the happy position of having both a continued market for gold at around $35 per oz., and a steadily improving market for the base metals. It is reasonable, therefore, to expect that the coming year will see continued growth in the production of both these two great groups—base metals and precious metals.

Triple Advance

In seeking to take stock of the mining industry today, it is obvious that unless the sensational advance registered in the past few years has been along three main fronts, it will not be healthy. Value of production, market price of shares and search for new mines, go forward together or something will be out of line. In order, therefore, to look ahead, it is necessary to look back, and analyze the growth which has pushed this industry into the spotlight.

Every Canadian is aware of the fact that the value of Canada's mineral production has, this year, reached the highest point in its history. This is despite the fact that prices of leading base metals are still below the peak of 1928 and 1929.

In the case of copper and, less strikingly, lead, prices are improving, with the result that still higher production values are looked for in 1937. A few examples of this fact illustrate how much better the outlook in this regard is compared with a year ago.

In Dec., 1934, average price of electrolytic copper in London was 6.8 cents per lb. In Dec., 1935, average price was 8.8 cents per lb. Last December it was between 10½ and 11 cents per lb.

Again, a year ago, the price of lead averaged around 3.8 cents per lb. Today it is quoted at around 4.8 cents per lb.

In the case of both these metals, stocks which, during the depression, hampered the price, were further whittled in 1936, with the result that their statistical position was considerably better when the year closed.

Improvement in Copper

With copper, in the production of which Canada ranks third among nations, this improvement was noteworthy. At the end of 1935, according to the Copper Institute, world stocks of refined copper stood at 485,328 short tons. By the end of October, this figure had been reduced to 356,780 tons. At current rate of consumption, this was equivalent to slightly more than two months' supply, considered normal by copper experts.

As far as gold is concerned, it seems safe to say that, barring some drastic and highly improbable drop in the price, 1937 output will exceed production for 1936. Canada has now some 72 plants steadily handling from 50 tons to 5,300 tons daily. Of these 72 gold producers, some 14 could definitely be classed as new. Several other properties are planning to join the producing ranks in 1937.

From still another angle might gold production appear to be in for continued increase in 1937. Many of the large producers, who have been capitalizing on $35 gold prices by treating lower grade ore, are nearing completion of this programme, and with the lower grade ore from the upper levels fairly well "mopped up," it is reasonable to look for higher recovery from these properties.

Taking all these factors into consideration, it is apparent that the trend of production is upward, and that the $250 millions odd produced in 1936 may well be exceeded by the 1927 value of metal production.

The values of mining stock on Canadian exchanges have shown tremendous advances in the past year. As a result, the Dominion Bureau of Statistics index, based on leading gold and base metal producers, stands today close to 170, as compared with an average of around 130 in Dec., 1935.

If this rapid enhancement were not accompanied by the physical improvements mentioned above, it would not be a healthy market. As it is, several issues at present being traded on exchanges appear to be discounting the future to an unsettling degree, but, on the whole, it would be difficult to argue that the average run of share prices does more than reflect generally improved conditions.

On the third front, that of mining exploration, 1936 has been an epochal year. Never before has the search for new mines been carried on at such a tempo or over such a wide area of the Dominion. Every province has felt the stimulus of this search, and the results have, on the whole, been satisfactory, auguring well for the 1937 season.

From the point of view of development and exploration, the palm must go to Quebec, where, in the northwestern section, almost phenomenal results have attended development and exploration. This camp is now probably Canada's most rapidly growing camp. In the Bousquet, Cadillac, Malartic and as far east as Pascalis and Louvicourt townships, properties have shaped up with gratifying speed. Mining men view this section as one of the most likely for developments in the coming year.

In Ontario, no new camps of importance have been discovered, but the old camps have responded well to development, notably the Little Long Lac field, including MacLeod-Cockshutt, Hard Rock, Bankfield, and Little Long Lac Gold Mines.

Kenora, in the northwest section of the province, has had sufficient encouragement from renewed activities to assure a busy year.

The Pickle Lake area, farther north, has also met with success, notably in the depths developments of such properties as Central Patricia and Pickle Crow Mines.

Red Lake Comeback

The Red Lake area, scene of the 1927 rush, came back strongly in the past year, and several properties, in addition to present producers, are planning intensive work in 1937.

In Manitoba, the centre of interest, due to improved copper conditions, is in the copper-gold district near Flin Flon, in the northwest section of the province. Sherritt Gordon, Mandy Mines, Callinan Flin Flon, and others are resuming development work. Here again, an active year may be expected.

In Saskatchewan and Alberta, the Lake Athabaska camp appears to be spreading out fanwise from Beaverlodge. Here, Consolidated Smelters and other large operators are continuing development, and should, in the coming year, obtain conclusive results. Alberta's natural resources have been pushed into the national spotlight by the discovery of crude oil in the southwest flank. It is believed that the existence of crude in large commercial quanties is not definitely established in this field, and exploration on a large scale, and over a wide area, is assured for the coming year.

British Columbia, leading base metal province of the Dominion, is, as might be expected, in a position to benefit from the improved outlook for these metals. In addition, established gold camps have continued to improve their ore outlook.

Thus, across the Dominion, the physical position of the actual properties has improved during the past year. This is, after all, the main front, the final test, for the mining industry.

The trend of Canadian mining is still up.

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Abitibi Pfd.

I hold Abitibi 6% preferred which I bought at 102. The company appears to be coming back and I was wondering if it would be advisable to buy more. Is there any prospect of a dividend?

Abitibi 6% preferred is a long way from a dividend. The bonds are in default, and eventually it may be necessary to reorganize the company to take it out of receivership. Meanwhile, the company requires an increase of its working capital, and this year's improvement in earnings will help in this direction. It is clear that increasing demand for newsprint at higher prices will enable it to increase earnings materially, but at this stage it is difficult to say just how much this will mean for the preferred stock.

Important investment interests hold the preferred shares, and they are well organized to see that this stock gets a satisfactory deal in any reorganization which may eventually develop. Perhaps the most encouraging feature of the Abitibi situation is that the company has had some idle mill capacity which recently became active. The question of whether you should buy more shares rests with yourself. The result depends on continued improvement for newsprint which would help the shares to recover.

G. B. and C. Trust

Will you please let me know whether or not there are any conversion privileges or stock warrants attached to Great Britain and Canada Investment Corp. debentures? Also I would like to have a list of the securities held by the company.

Great Britain and Canada Investment Corp. 4½% 30-year debentures are convertible at option of holder into common shares at the rate of 20 common for each $1,000 principal amount of debentures. Also warrants are attached entitling holders to receive without cost 10 fully-paid common shares for each $1,000 debenture on a date to be determined by directors.

No particulars are published by the company as to the precise investments in its portfolio, nor is information now available on the proportion of the capital invested in bonds, preferred or common stocks.

Brewers and Distillers

What is the current position of Brewers and Distillers of Vancouver from an income viewpoint?

Brewers and Distillers of Vancouver is a holding company which operates in the brewing and distillery industries through subsidiaries. Earnings last year were nearly six cents a share on the outstanding 5,777,378 common shares, or the highest since 1930. The company occupies an important place in western Canadian brewing and distilling industries on Feb. 1, 1937, is distributing $1 a share to holders of the new $5 par value stock in the form of capital surplus distribution. The new $5 shares to a total of 577,737 replace the former no par value shares on a basis of one for 10. The reason for the change was to permit capital distribution from time to time, as part of the liquidation of American type whiskies which will not be replaced in inventory. Sale of matured American type whiskies has, we understand, proved somewhat disappointing from the standpoint of consumer demand, newer whiskies holding the larger share of the U. S. market as a result of conditions created during prohibition.

Canada Crushed Stone

I hear that 6½% bonds of Canada Crushed Stone Co. are being called. Can you tell me where the company is located and whether this report is correct?

Only part of the bond issue has been called and you could ascertain from the National Trust Co., Hamilton, whether your bond is one of those drawn for redemption. The company is located at Hamilton.

Canadian Oil Pfd.

Is there any reasonable explanation, apart from the Pogue carbureter scare, that would account for the recent changes in market price of Canadian Oil Preferred?

We understand there have been no special developments in the company's affairs which would account for the decline of the preferred shares. The Pogue carbureter may have had some effect, but there have been announcements from other oil companies that retail earnings in Canada have not been as high this year as in 1935. In the case of a relatively inactive stock like Canadian Oil preferred a modest amount of liquidation is sufficient to cause a fairly substantial recession.

Canadian Locomotive

I would like to obtain the most recent information on Canadian Locomotive 6% bonds selling around 60.

Canadian Locomotive 6% bonds pay interest only if earned. For 1936, the company may show operating profits, but depreciation has not been written off for several years. This charge may be sufficiently large to show a deficit and no interest payment is in prospect.

Disadvantage in the bonds, of course, is that the company might earn and pay interest one year but not another. However, the railways have been wearing out locomotives and their needs may bring orders soon and other replacements over some years. Possibly new orders will enable the company to pay some interest by 1938.

Selling at 60, the bonds have a total value of slightly over $600,000 which is modest in comparison with the former total assets of over $6.5 millions, now carried at $2.2 millions.

International Petroleum

I would appreciate information on International Petroleum from an investment point of view, particularly as to whether the current dividend payments can be maintained.

International Petroleum Co. is the chief producing subsidiary of Imperial Oil Ltd. Dividends are $2.50 a share annually although 1936 earnings were $1.65 a share. The company states its earnings conservatively and has very large reserves which would allow it to continue payments in excess of earnings for some years. However, it is believed that the rising price of crude oil may allow earnings sufficient to cover current dividends eventually. As long as dividends are running in excess of earnings, the "extra" payments may be regarded partly as return of capital from depleting assets, thus reducing the effective income yield. You could regard $1.75 of the dividend as income, giving a yield of about 5%, and the remaining 75 cents as a return of capital.

Ford of Canada

Would you regard the $1 dividend rate on Ford of Canada as reasonably assured?

Ford Motor of Canada has paid dividends irregularly. The rate has now been stabilized at $1 a share, which should be helpful for the ordinary investor.

Investors Syndicate

Would you consider Investors Syndicate of Minneapolis a sound investment?

Investors Syndicate has assets more than sufficient to cover cash surrender liabilities under its installment savings certificates. It also has reserves to protect the cash equities of certificate holders.

It is important for the purchaser of one of these long-term savings certificates to be sure of his ability to maintain payments throughout the entire term. The reason for this is that the cost of selling and other such expenses are deducted from deposits in the early part of the certificate period. Consequently, if the investor gives up the savings plan before the period is completed, he suffers a loss, or has only a very small increase in his savings. If, on the other hand, he maintains his deposits to the end of the period, in the later years the value of his certificate should rise sharply.

Borden Co.

What is the earnings record of Borden Co. in relation to dividend payments?

Borden Co. has a capital of almost 4.4 million common shares of $15 each, and showed earnings of $1.10 a share in 1935, compared with $1.02 a share in 1934. These earnings were considerably below the dividend paid of $1.60 a share. In 1935, payment of this dividend rate resulted in a deficit of some $2.2 millions, but left working capital at $40.8 millions.

The company's business is in dairy and food products, which it distributes internationally, but chiefly in the United States and Canada. Sales have been increasing in recent years, but like other dairy companies, it has found its taxes and costs a substantial burden on income.

F. N. Burt

Are the earnings of F. N. Burt sufficient to meet current dividend payments? What is the dividend record?

F. N. Burt Co. has paid dividends throughout the depression. The current rate is $2 a share, compared with earnings of $1.92 a share in 1935. In 1936 earnings improved, but the net profit will be affected by U. S. taxation of surpluses, so the precise results are indeterminate. In 1929 the company paid a rate of $3 a share, and an extra of 50 cents a share. The $3 rate was carried through 1930 and 1931, but was reduced to a rate of $2.40 in 1932 and to $2 in 1933. The company has earned as high as $4.66 a share in one year on the common stock.

Sterling Coal

I am interested in Sterling Coal Co. from an investment standpoint. What are the earnings prospects for this year?

Earnings of Sterling Coal Co. showed marked improvement in the fiscal year ended March 31 last, when results were the best since 1927. We understand the improvement has continued and that next year's report should reflect the upward trend in operations and income. The shares are not actively traded, and most of the transactions in the bonds have been for sinking fund purposes recently. In this connection it is important to note the company has been retiring its bonded indebtedness steadily and it is reasonable to expect that lessened interest charges will also reflect themselves in results for the current year. Last year bonded indebtedness was reduced from $667,500 to $579,000. This naturally benefits the position of the common. The company is now chiefly a trading and distributing organization and its acquisition of the Sunoco gasoline agency for eastern Ontario has proved profitable. It is still interested in the coal industry, although actual mining operations formerly carried on in the U. S. have been discontinued.

Rackets

Car Watching

IT HASN'T reached Canada yet, but the car-watching racket is an old story in New York and other U. S. cities, and its Canadian counterpart is the ten-cent car-wiper.

Downtown areas of Canadian cities are the usual haunts of the ingratiating panhandler who, rag in hand, sidles up to the motorist as he parks, offering to "Wipe your car, mister," in return for a small tip.

There is nothing particularly vicious about the Canadian form of the racket, but it may be the forerunner of another less petty form of racketeering now prevalent across the border.

In New York, for example, the car-watching game costs motorists thousands of dollars annually. It was started by urchins looking for amusement money or the price of an innocent ice-cream soda, but during the depression it was taken over by organized gangsters and operated on a typical "big business" basis. The seemingly innocent query, "Watch your car, mister?" soon began to carry a more sinister implication . . . . "or else."

Broken windshields, four flat tires, smashed headlights or other reminders were given if the "tip" was not forthcoming, but by the time the motorist returned to his car the damage was done and its perpetrator had vanished.

Police have been active in smashing the racket in the U. S., but only after it reached serious proportions. The car-wiper in Canada may be the forerunner of vandal-racketeering in Canada. The fact that the itinerant car-wiper's livelihood is based on a form of panhandling should be sufficient warning to motorists and police.

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TRAM DIRECTOR

R. N. Watt, vice-president of Montreal Tramways Co., who has been elected to the board of directors.

Woods Mfr. Calls Issue of Bonds

Plans New $700,000 Offering — Company Changes Head Office

From Our Own Correspondent

MONTREAL. — Woods Manufacturing Co. will be in the market shortly with an issue of $700,000 of new bonds, out of $1.5 million to be authorized, the proceeds to be used for the purpose of redeeming $551,500 6% bonds now outstanding.

A special meeting of shareholders has been called for Dec. 30 to vote on the proposal.

Change Head Office

Shareholders also will be asked to approve a by-law changing the head office from Montreal to Toronto. This action, as explained by Harold Crabtree, president, in a letter, is due to "doubts" which have been expressed since the application and effect of certain legislation in case the bonds were issued in the first instance in Montreal.

This statement has reference to Bill No. 5 passed by the last session of the Quebec Legislature, which put a maximum ratio between the value of the bonds to be issued and the value of the fixed assets owned by the company.

The existing bonds are callable on 60 days notice on any interest date, April 1 and October 1, at 102 and accrued interest.

Regent Knitting Redeems Bonds

New Issue Will Reduce Debt Charges — Add to Stock Income

From Our Own Correspondent

MONTREAL. — Regent Knitting Mills is calling for redemption on March 31 next its 6% first mortgage bonds, at 105 and accrued interest.

At the end of last year the company had outstanding $362,500 of these bonds. The bonds will be redeemed through the proceeds of a new bond issue which will be placed on the market after the turn of the year. This new financing will probably be done through the issuing of short term serial bonds, with a coupon of about 3%, and a long term issue with a higher coupon.

The resultant saving in interest charge is expected to add substantially to earnings on the preferred stock.

The bonds being called were originally offered in October, 1933, by a Montreal investment dealer. In all, $600,000 of the bonds were put on the market, and, through operation of a sinking fund the amounting outstanding has been reduced to the figure mentioned.

Contract Discount Earnings Increase

Paid-up Capital Now Amounts to $70,000

Contract Discounts Ltd. reports net profit of $3,503 for the year ended June 30, 1936.

As at June 30 the issued capital of the company consisted of 445 shares of 6% preferred stock and 5,000 shares of common stock. Preferred dividends paid during the year amounted to only $853 since only a small amount of the issued capital was outstanding during the entire year. Thus, net profits were in excess of $4 for each $1 paid in dividends and earnings on the common stock were equivalent to 38 cents a share.

Since the close of the fiscal year, additional preferred shares have been sold and paid-up capital of the company now amounts to about $70,000.

Working capital as at June 30 amounted to $42,492. Current assets were in excess of 85% of all assets.

Current earnings are at a higher rate than in the same period of 1935. The Financial Post is informed, and the volume of business continues to increase. The company is now financing deferred payment contracts on Maytag washers, Easy washers, Phillips vacuum cleaners and Phonola radios.

Industrial Acceptance Adds to Its Executive

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. announces appointment of the following assistant vice-presidents: J. H. Ranahan, in charge of sales; S. J. Biffin, in charge of credits; and W. MacEwen, in charge of the Windsor Branch and factory in that vicinity.

Shawinigan to Extend Line in New Territory

From Our Own Correspondent

MONTREAL.—The Quebec Public Service Commission has approved application of Shawinigan Water and Power Co. to construct a distribution line in the Parish of St. Thomas de Pierreville and in Notre Dame de Pierreville in the county of Yamaska.

Montreal Debenture Corp. Meeting Off Till Jan. 12

MONTREAL.—Owing to lack of a quorum, meeting of the bondholders of Montreal Debenture Corp., to pass upon a plan of reorganization, has been adjourned until Jan. 12. It is necessary to have 51% of the outstanding bonds represented in order to go ahead with the meeting.

The plan provides for the exchange of the bonds into preferred stock. Practically all the rights existing under the trust deed are to be vested in the proposed new preference stock.

Canadian Inter. Paper Extends Its Operations

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co. will resume full-time operations at its Three Rivers Mill, for the first time since 1930. Eight machines will be put into service, increasing the effective capacity to around 825 tons daily.

Formerly the mill had a rating of about 700 tons, but owing to the reduction of hand labor and speeding up of the machines, since the mill last operated at full capacity six years ago, the capacity has been materially increased.

Bus Injunction Appealed

MONTREAL.—Appeal of Maritime Transit Ltd. from a judgment restraining it from operating a bus service in Saint John and Lancaster will be heard in the New Brunswick Supreme Court of Appeals, Feb. 9.

Public Utility Earnings

Canada Northern Power

	1936	1935
November—	1936	1935
Gross revenue	398,907	384,721
Operating expense ..	158,000	147,780
Net earnings	240,907	236,941
11 Months Ended Nov.—		
Gross revenue	4,156,395	4,036,626
Operating expense ..	1,593,589	1,533,232
Net earnings	2,562,806	2,503,393

Brazilian Traction

November—	1936 $	1935 $	Inc. $
Gross earn.	2,837,013	2,463,194	373,819
Oper. exp.	1,251,053	1,200,172	50,881
Net earn. ..	1,585,960	1,263,022	322,938
Eleven Months—			
Gross earn.	29,282,268	27,832,574	1,449,694
Net earn. .	16,080,156	14,894,005	1,186,151

Alcohol Sells All U.S. Stocks

American Type Whisky Is Finally Sold—By-laws Are Passed

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol's entire inventory of American type whisky has been sold on "advantageous" terms, according to the statement made by D. J. O'Donahoe, general manager, at the annual meeting of shareholders. Delivery is to be made over the next 18 months, and the bulk in the next six months. The amount still to be delivered is approximately 2.5 million gallons.

"As and when your American type inventory is shipped out," said the general manager, "we should be able to reduce radically our expenses, in respect of insurance, storage, and other charges, incidental to the care of your American type whisky; and if the hopes of your management are realized with respect to expanding domestic sales, your company should have before it good prospects."

By-laws Are Approved

At a special meeting held immediately after the annual meeting, shareholders unanimously approved various proposals, including a plan to exchange the 6% debentures of the British subsidiary, Robert McNish & Co., for 5% debentures of Canadian Industrial Alcohol, both cash and script, reduction in book value of capital stock, without changing the number of shares, so as to make possible the dividend in shares of Oldtyme Distillers Corp.; and changing the head office from Montreal to Corbyville.

Hinde and Dauch Hopes To Continue $1 Dividend

L. F. Winchell, vice-president and general manager of Hinde & Dauch Paper Co. of Canada states in a letter to shareholders that it is the intention of directors to continue, if possible, payments of quarterly dividends of 25 cents each in 1937, or an annual rate of $1 a share.

Reporting an increase of 13% in production in 1936, and almost spectacular gains in some lines, Mr. Winchell looks forward to another good year in 1937.

CHAMPION MORTGAGE
CORPORATION - LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
SASKATOON REGINA

Crisis in England Help to Newsprint

From Our Own Correspondent

MONTREAL. — Great Britain's constitutional difficulties involved the use of an abnormal amount of newsprint, says a survey prepared by R. O. Sweezey & Co.

This feature will not be reflected until consumption figures for December are available, but it is possible that it will account for an even greater consumption than was the case when Lindbergh made his famous flight to Paris.

McNish Bondholders Approve "Alcohol" Plan

MONTREAL.—Debenture holders of Robert McNish Co., a subsidiary of Canadian Industrial Alcohol, have approved the plan of capital reorganization put forward by the parent company.

Under the plan for each $5 par value Robert McNish debenture, the holder will be given the following: $1 in cash; a scrip certificate for 50 cents payable November 15, 1937, with interest at 5% from November 15, 1936; and $3.50 par value 5% debentures of Canadian Industrial Alcohol Company.

CANADA'S GROWTH

Canada's greatness is the result of generations of growth. By safeguarding savings, by promoting confidence, by stimulating construction, by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

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CANADA PERMANENT
Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

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CONTAINS a comprehensive year-end Review as well as a selected list of Dominion, Provincial, Municipal and Corporation securities.

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15 King Street West, Toronto

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The use of equity stocks is often the proper solution of problems of corporate finance.

Among the common stocks listed on the Montreal Stock Exchange and Montreal Curb Market, the following are some of those for which this organization has acted as principal, or one of the principals, in underwriting and distribution:

Agnew-Surpass Shoe Stores Limited
Bell Telephone Company of Canada
Bulolo Gold Dredging Limited
Canadian Bronze Company Limited
Crown Cork and Seal Company Limited
Industrial Acceptance Corp. Ltd., Class A
International Mining Corporation
Jamaica Public Service Limited
John A. Lang & Sons Limited
National Steel Car Corp. Limited
Niagara Wire Weaving Company Limited
H. Simon & Sons Limited

A booklet descriptive of the above companies will be forwarded on request to anyone interested.

The experience and facilities of our organization in this kind of financing are always at the disposal of corporation executives for the discussion of their problems.

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BUSINESS—The Financial Post Corporation Service was established in 1929 to supply investment dealers, brokers and investment managers with complete and up-to-date information on Canadian companies. Today, the Service is recognized as the most complete and authoritative source of information on such companies and is used and relied upon by a large number of investment firms.

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THE FINANCIAL POST CORPORATION SERVICE
481 University Ave. TORONTO
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The statements contained herein are based upon information which we know to be reliable and you may construe them as representations made by us.

Bank Chat

Losses on Loans

AN EXPLANATORY note accompanying the Bank of Toronto's annual statement, which is reviewed elsewhere on this page, points out that the very substantial increase in profits for the year arises, not from improvement in the banking business, but from realization of loans which had been written off as "bad" or "doubtful."

This is a feature of bank profits which may well be of considerable influence in the next few years. The banks have been quite generous—in keeping with traditionally conservative practice—in writing off advances where repayment was in the least dubious. This policy will now react favorably in so far as general improvement enables borrowers to meet their obligations. That borrowers will repay if they are able is indicated by the earnings of the Bank of Toronto this year.

A second accompaniment of business improvement, which has also had its effect on bank earnings, is that fewer losses are being encountered. In part, of course, this may be attributed to a more cautious attitude on the part of the banks in respect to the loans they make. In considerable degree, however, it denotes an improving basis on which credit can be extended.

* * *

Run on Coinage

CANADIAN banks report an exceptionally heavy run on coins during this Christmas season. In many instances, the demands of a most gratifying holiday trade were sufficient to test the resources of the banks. In some branches, the heaviest run on silver coins in history was recorded. As yet, no reports of actual shortage of currency have filtered through, although it is quite probable that such has been the case. Seasonal demands have created a temporary shortage in other years, when trade was not as brisk as 1936.

There was also considerable call for large bills, ranging from $100 right up to $1,000. For the most part, these represented payment of bonuses, dividends, and so on.

In respect to coinage, it has been announced by the Mint that coins bearing the likeness of King George V will continue to be minted until the new dies, bearing the present king's head, have been completed, some time in 1937. It is customary for coins bearing a king's likeness to be minted throughout the year in which he dies. It is probably without precedent, however, for a ruler—even an uncrowned ruler—to be skipped entirely in Canadian coinage. No coins with the likeness of King Edward VIII have made their appearance, although no official statement has been made that none will be issued.

* * *

Stamp Collector

WHAT happens to cancelled excise stamps on cheques?

The answer, in so far as one large commercial concern in an Ontario city is concerned, has been, until recently, that they are used over again. The proprietor of the business was reported to have been removing the cancelled stamps, carefully erasing the cancellation marks, and attaching them to new cheques.

Suspicions were aroused and investigation begun. Search of the premises revealed a number of cancelled cheques with the stamps removed, a quantity of stamps which apparently had been taken from used cheques and treated to remove the cancellation marks, a book of blank cheques with excise stamps attached, all of which bore evidence of cancellation and a large quantity of used cheques whose stamps bore unmistakable signs of having been cancelled twice and also of having been re-glued.

It would have been cheaper to have played the game. The judge gave a choice between a very heavy fine or "three months."

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office: EDINBURGH

254 Branches in All

LONDON: Chief City Office: 3 Bishopsgate, E. C. 2

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Deposits £66,800,985

Associated Bank: Williams Deacon's Bank Ltd.

Bank Toronto Profits Rise 42 Per Cent

Due to Small Losses and Recovery of "Bad" Debts

HIGH LIQUIDITY

Substantial increase in profits and exceptionally strong liquid position feature the annual report of the Bank of Toronto for the financial year ended Nov. 30, 1936.

Net profit for the year amounted to $1,141,810, compared with $806,392 in 1935, an increase of almost 42%. It is explained, however, the improvement in earnings does not reflect better business, but is due largely to small losses for the period and substantial recoveries on account of bad and doubtful debts previously written off. In terms of earnings per share, profits this year are $19.03 as against $13.44 on a comparative basis in 1935.

Appropriations of $600,000 for dividends and $100,000 for write-off on premises are unchanged from a year ago, leaving surplus for the year at $441,810, compared with $106,392. Surplus forward is now $1,285,375.

Comparative income and surplus statements are as follows:

Income and Surplus Account Years Ended Nov. 30

	1936 $	1935 $
Net earn.	1,473,646	1,119,135
Less:		
Dom. & Prov. taxes	251,836	232,743
Pension fund	80,000	80,000
Net profit	1,141,810	806,392
Less appropriations:		
Dividends	600,000	600,000
Writ. off bk. prem.	100,000	100,000
Surplus for year	441,810	106,392
Add: Prev. surplus	843,565	737,173
Balance forward	1,285,375	843,565

Assets Higher

Total assets at the year-end are $135,907,303, an increase of just about $9 millions. Liquid assets advanced by more than $20 millions to $92,435,472, or 77.37% of all liabilities to the public. Of the total, $25.1 millions represents cash items and balances and notes with other banks.

In line with general experience during the year, commercial loans are materially lower, with an offsetting increase in security holdings. Liquidation of western grain loans are held mainly responsible for a reduction of $12,286,144 in the commercial loan total. Loans to municipalities are also slightly lower, although call loans, reflecting activity on security markets to a large degree, are up $2,753,776.

The net reduction in loans, together with increased deposits are reflected in an increase of $13,274,553 in securities and the additional $4,907,240 cash on hand. Government issues with maturity more than two years registered the greatest advance, almost $10 millions, with municipal and miscellaneous holdings also higher. The exception was short-term government holdings which, at $5,714,557, were about $1.3 million under the 1935 figure.

No-interest Deposits Rise

Total deposits at $110,045,103 are up $8,779,623, despite shrinkage in government balances. Reflecting the elimination of interest on current accounts during the year, interest-bearing accounts show moderate reduction. On the other hand, non-interest-bearing accounts are sharply higher.

In accordance with provisions of the Bank Act, following establishment of the central bank, note issue is materially lower, and holdings of Bank of Canada notes have risen.

The bank's balance sheet is as follows:

General Statement As at Nov. 30

Assets	1936 $	1935 $
Gold in Canada	793	490
Subsid. coin in Can.	213,040	203,954
Notes of Bk. of Can.	1,929,778	1,451,980
Dep. with Bank of Canada	11,927,295	9,161,132
	14,070,906	10,817,556
Notes of other bks.	416,125	347,660
Cheques on other banks	7,551,455	6,169,996
Foreign currency	76,670	50,623
Due by bks. abroad	3,020,296	2,842,378
Call loans in Canada	6,083,281	3,329,505
	17,147,827	12,740,162
Government secs.:*		
Matur. within 2 years	5,714,557	7,056,709
Other	43,492,223	33,693,736
Candn. munic. securities*	7,201,556	5,296,876
Public secs., foreign	1,050,965	37,554
Other securities*	3,757,437	1,857,309
	61,216,738	47,942,184
Total quick assets	92,435,471	71,499,900
Current loans & discounts	32,761,496	45,047,641
Loans to munic.	4,535,072	4,813,725
Non-current loans	258,364	261,952
	37,554,932	50,123,318
Bank premises	3,501,286	3,510,975
Mtges. on real est. sold	44,990	47,814
Letters of credit	2,021,200	1,401,882
Dep. re circ. fund	349,424	335,034
	5,916,900	5,295,705
	135,907,303	126,918,925
Liabilities		
To the Public		
Circulation	4,237,915	5,279,895
Dep. by & bal. due to Dom. govt.	263,222	1,690,692
Prov. govts.	1,278,350	1,334,326
Deposits by public:		
Non-int. bearing	30,281,565	18,605,875
Interest bearing	78,221,966	79,634,586
To banks in Canada	991,251	1,343,755
To banks abroad	1,759,446	1,457,672
Bills payable	416,500	174,519
Letters of credit	2,021,200	1,401,882
	119,471,415	110,923,292
To the Shareholders		
Divds., bonus, etc.	150,513	152,068
Reserve	9,000,000	9,000,000
Capital stock	6,000,000	6,000,000
Surplus	1,285,376	843,565
	16,435,889	15,995,633
	135,907,304	126,918,925

*Not exceeding market value.

AUSTRALIA and NEW ZEALAND.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)

(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)

Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1936 .... £115,559,000

A. C. DAVIDSON, General Manager.

747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.

Head Office: GEORGE STREET, SYDNEY. London Office: 29, THREADNEEDLE STREET, E.C. 2

Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

BANKS FINANCE GOVERNMENTS

Most marked of all banking trends since depression has been an outflow of funds from commercial loans into investments—particularly into Government securities. The banks, lacking the demand for acceptable commercial and industrial loans, were forced to alternative sources of revenue. The extent to which this has been carried is clearly depicted in the chart above, which shows Government borrowings from the chartered banks as a percentage of their total assets.

It will be noted that the reduction this fall was the most substantial since the ratio began its uphill climb back in 1930. This coincided with the extension of credit for commercial purposes, which in October and November was the greatest for some time. The ratio, from a low of 14.6% early in 1930 advanced to a peak of 44.7% in July of this year, and has since eased to 42.7%.

Government borrowings from banks, as shown above, include not only the banks' holdings of Dominion, provincial and municipal securities, but also a relatively small amount of public securities other than Canadian, and loans to provinces and municipalities.

Association Head Sees Group Insurance Growth

A more ready acceptance in the future of group insurance by employers is forecast by V. R. Smith, general manager of Confederation Life Association and president of the Canadian Life Insurance Officers Association.

Recalling the fact that his company is celebrating 10 years of group insurance underwriting, Mr. Smith states that "the widespread interest in social insurance on the part of government authorities in Canada; government taxes on employers' profits; general improvement in business conditions—these are factors which have recently directed the attention of employers to the various group welfare plans that insurance companies are offering. The result will be," he adds, "more ready acceptance of group insurance by employers."

Referring to the rapid growth of the group pension idea Mr. Smith says:

"From every point of view, there is everything in favor of an underwritten plan of pensions, in which both employers and employees know exactly what they will get in return. It is not surprising, therefore, that there is a strong tendency on the part of employers to adopt pension schemes which give certainty at all times of being actuarially sound and properly funded. These essentials are inherent in plans underwritten by insurance companies.

"Moreover, underwritten plans are impervious to amalgamations and mergers, a situation which should be anticipated in these days of rapid changes in business control. If an amalgamation or merger takes place, old employees may be retired on pensions already purchased and guaranteed for life not subject in amount, or duration, to the discretion of the new employer."

Bank of Canada Weekly Statement

Note circulation of the Bank of Canada advanced $6 millions in the week ended Dec. 23, 1936, probably due to seasonal requirements. Deposits, both those of the chartered banks and the Dominion Government, showed moderate reduction, while increases were recorded in short-term security holdings and reserves.

Balance Sheet

Liabilities	Dec. 23 $	Dec. 16 $
Capital paid up	10,100,000	10,100,000
Notes in circ.	133,861,404	127,174,192
Rest fund	173,092	173,092
Dep.: Dominion	21,067,460	23,650,177
Banks	187,700,256	189,906,021
Other	2,161,025	2,296,500
Total deposits	210,928,741	215,852,698
All other liabs.	3,198,368	3,492,651
Total liabs.	358,261,605	356,792,633
Assets		
Reserve: Gold	179,226,004	179,170,790
Silver bullion	2,014,431	2,020,042
Res. in sterling and U. S.	12,179,627	10,935,063
Total reserve	193,420,061	192,125,895
Subsidiary coin	173,425	213,247
Investments:		
Dom Govt. short	62,025,635	60,805,267
Other Dom. Govt.	99,406,132	99,360,159
Total invest.	161,431,767	160,165,426
Premises	370,384	373,160
All other assets	2,865,967	3,914,904
Total assets	358,261,605	356,792,633
Reserve ratio		56.00%

Convention Cruise Planned By Excelsior Life for 1938

Excelsior Life Insurance Co. has announced a four-day ocean cruise plus one day in New York as the 1938 convention plan for members of the Excel Club.

The company plans to make the cruise leaving Montreal in mid-July, 1938, on one of the Duchess ships.

Qualification requirements will be business completely paid for (except semi-annual or quarterly premiums) between Jan. 1, 1937, and Dec. 31, 1937, irrespective of when written. Qualification for the club is $90,000 of accepted business.

Staff Changes

The Dominion Bank has announced the following changes in staff:

F. A. BOULDEN, formerly manager at Gravenhurst, Ont., to be manager at St. Clair and Dufferin, Toronto.

C. A. THORPE, formerly manager at Gage Ave., Hamilton, to be manager at Bloor and Runnymede, Toronto.

C. A. R. HUNTER, formerly manager at St. Clair and Dufferin, Toronto, to be manager at St. Clair & Vaughan, Toronto.

T. B. CONNOCHIE, formerly accountant at Yonge and Gerrard, Toronto, to be manager at Geraldton, Ont.

G. C. GAMMAGE, formerly accountant at Windsor, Ont., to be manager at Madoc, Ont.

R. M. BOLTON to be manager at Parkdale branch, Toronto.

Weekly Bank Clearings

	Dec. 24 1936 $	Change year ago %	Dec. 17 1936 $
Halifax	2,588,095	+30.6	2,353,357
Saint John	2,112,714	+54.1	1,578,733
Sherbrooke	638,107	+23.5	618,469
Quebec	5,651,066	+46.2	4,630,104
Ottawa	20,748,618	+28.4	16,904,950
Peterboro	695,231	+18.6	641,263
Toronto	163,731,071	+62.3	115,034,679
Hamilton	5,646,286	+53.3	5,154,502
Brantford	1,213,964	+27.9	963,416
London	3,288,165	+69.1	2,997,263
Chatham	958,097	+82.1	682,752
Kingston	610,696	+58.4	532,616
Kitchener	1,343,028	+31.5	1,141,060
Montreal	126,638,551	+58.1	108,397,438
Sarnia	598,343	+25.3	506,142
Sudbury	1,160,834	+80.9	954,720
Windsor	3,547,831	+51.6	3,314,325
Fort William	907,686	+65.2	670,062
Winnipeg	58,437,168	+46.0	39,656,997
Brandon	401,042	+79.6	345,970
Regina	5,497,814	+87.3	3,964,118
Moose Jaw	733,609	+62.1	704,687
Saskatoon	1,667,153	+51.9	1,484,842
Prince Albert	405,693	—83.4	364,364
Medicine Hat	248,708	+ 8.8	198,362
Lethbridge	602,735	+ 7.1	536,766
Calgary	7,274,706	+65.1	5,223,569
Edmonton	4,912,180	+83.1	4,300,366
Vancouver	23,559,137	+91.9	18,121,377

Insurance Inklings

J. W. McLANE, Great-West Life, has been elected president of the Life Underwriter's Association of Medicine Hat. W. G. O. Rose, London Life, is vice-president.

* * *

H. C. TREGELLAS, Imperial Life, has been elected president of the Life Underwriter's Association of Vancouver. W. B. Charlton, Sun Life, is first vice-president, T. L. Mitchell, Dominion Life, second vice-president, George M. Martin, Crown Life, secretary and Gordon Ramsay, North American Life, re-elected treasurer.

* * *

R. S. HUBEL, London Life, was elected president of the Cornwall Life Underwriter's Association.

* * *

F. R. CULLISS, London Life, was re-elected president the Sault Ste. Marie Life Underwriter's Association.

* * *

L. L. TITUS, Canada Life, was elected president of the Life Underwriter's Association of Amherst, N.S.

* * *

W. J. DALZIEL, Canada Life, has been elected president of the Life Underwriter's Association of Moncton.

* * *

H. F. DIBBLEE is president of the Halifax Life Underwriter's Association for 1937.

* * *

HARRY W. HARE has been appointed manager of the new branch office for Canada Life in Kirkland Lake, Ont., which will open shortly after Jan. 1, 1937. Mr. Hare joined the company as an underwriter in 1930 at London. He was later advanced to district manager for Bruce County at Kincardine.

* * *

J. WILFRED OUELLET has been appointed agency sales instructor for Metropolitan Life. For fifteen years Mr. Ouellet has represented the company as agent and assistant manager in Shawinigan Falls district.

* * *

WILLIAM A. DEWLAND has been appointed district supervisor for London Life in Oshawa. He succeeds J. C. HORTON who has been appointed district manager of the company's southern Alberta agency. Mr. Dewland is in charge of the company's ordinary business.

* * *

JAMES B. FEE has been appointed superintendent, industrial branch, London Life at Stratford.

* * *

A. R. PIPER has been appointed district supervisor for London Life (ordinary branch) at New Westminster. Mr. Piper was formerly at Peterborough and Regina.

* * *

W. E. WOLFE has been appointed district manager for Central Ontario division of London Life (ordinary branch).

* * *

J. G. GRAHAM has been appointed district manager for London Life (ordinary branch) at Vancouver. He was formerly at Calgary.

* * *

W. PRESTON GILBRIDE has been elected president of the Life Underwriters' Association of London at the annual meeting held recently. CLARENCE ATKINS is vice-president.

* * *

DR. H. B. KIDD has been appointed medical director of Metropolitan Life.

* * *

S. S. JACOBSON has been appointed manager of the newly-opened industrial branch of London Life at St. Catherine and Guy Sts., Montreal. He was formerly in charge of the company's branch at 5675 Park Ave. where A. POIRIER is now manager.

* * *

Appointments affecting Sun Life of Canada in the United States have been announced as follows:

C. NELSON GRAY has been appointed manager at Cincinnati. This branch has now been enlarged to include Dayton, Ohio. Mr. Gray has been with the company since 1924. Since 1929 he has been manager for the company at Providence, R.I.

W. B. ARTHUR, JR., has been appointed manager for the company at Providence, R.I. He first joined the company at Halifax in 1921. Since 1929 he has been manager of the company's Columbus branch.

DON C. CARVER has been appointed manager at Columbus by the company. Mr. Carver was at one time agency assistant at Columbus and since 1930 has been manager at Charleston, West Virginia.

W. LEE MULLEN has been appointed manager at Charleston, West Virginia. He has been agency assistant for the company at Pittsburgh since 1930.

St. Johns, Que., Abandons Liability Insurance

From Our Own Correspondent

MONTREAL.—By a majority vote aldermen of the City of St. John's, Que., have voted not to renew the city's public liability insurance. The main objection was that the insurance did not protect local proprietors because underwriters could sue them after paying a claim made against the city itself.

Business Total For Conf. Life $398 Millions

$47.5 Millions Reported By Agencies For the Year

NEW DIVIDENDS

New business issued and paid for by Confederation Life Association during 1936 totalled $47.5 millions, according to C. D. Devlin, general superintendent of agencies. This figure includes revivals and is estimated on the results of the company's agency business year. It compares with $47.7 millions issued in 1935.

Total business in force at the end of the year is estimated by Mr. Devlin at $398.5 millions, an increase of 3% over the total of 1935.

In explaining these totals Mr. Devlin points out that on April 15 the company ceased writing new business in Mexico. The decrease in this account at the close of the year was approximately $3 millions.

New dividend scales to policyholders for 1937 have been determined. These involve an entirely new scale of dividends on the company's Confederation Series policies, and payments of the same cash dividend in 1937 as was paid in 1936 to holders of the company's Old Standard and Super-Select Series policies.

New Basis of Calculation

Commenting on the new Confederation Series dividend, Mr. Devlin says: "It is perhaps only fair to point out that on account of a new basis of calculation being used it is incorrect for our representatives to assume that the ratio which may exist between dividends in 1936 and 1937 may be used as a factor in determining dividends for future years. The new table used in calculating dividends is an entirely different basis than that used previously."

Payment of the same cash dividend for Standard and Super Select policies in 1937 means that policyholders will not receive their normal annual increase. Thus, for example, the holder of an Old Standard Series 20-pay life policy bought at age 35 who received as his 10th cash dividend in 1936 the sum of $6.69, will receive, for his 11th dividend in 1937, the same amount.

In regard to new Standard Series policies the same rate of bonus has been declared in 1937 as in 1936. On this basis for each $1,000 the bonus addition will be $20 per $1,000 on life and limited life policies and $17 on endowment policies.

Caisse d'Economie Earns 1936 Surplus of $80,685

A surplus of $80,685 is reported by La Caisse d'Economie de Notre-Dame de Québec in the financial year ended Nov. 30, 1936, bringing total surplus to $415,524. The year's results are not strictly comparable with previous earnings as 1936 was the first full year in which the financial period ended in November. However, in the six months ended Nov. 30, 1935, surplus was $38,983.

During the year, the organization transferred $250,000 to general reserve fund, bringing it to $1,750,000. Capital stock is unchanged at $1 million.

Directors for the year are:

President, Sir George Garneau.
Vice-president, Hon. H. G. Carroll.
Directors: Canon J. Vaillancourt; Hon. L. A. Taschereau, H.-Edmond Dupré, J. des R. Tessier, Commander C. J. Magnan, L. J. Adjutor Amyot, Georges Belleau and J. L. Morency.

London Life Transfers Supervising Officers

Recent territorial changes in the London Life's field organization have brought about the following transfers:

In the company's industrial branch, R. H. Freeman, formerly city manager at the Toronto Main branch, is now in charge of the Toronto Yonge agency. S. Shergold, city manager at St. Catharines, has transferred to the Toronto Main branch, while city manager J. M. Straton of Sherbrooke, Quebec, assumes the direction of the St. Catharines agency.

Among district supervisors of the company's ordinary branch, A. R. Piper, a former westerner, has returned from the Peterborough supervisorate to assume similar duties in New Westminster, B. C.

J. L. Cameron, district supervisor at Brantford, has been given charge of a new supervisorate at Oakville, Ontario, and supervisor J. H. MacDonald of London is transferred to take charge of the Brantford territory.

A. C. Hughes President of Ontario Adjusters

A. C. Hughes, of the Travelers Insurance Co., was elected president of the Ontario Insurance Adjusters' Association, at the recent annual meeting of that body. Other officers are:

N. G. Bethune, Normal Bethune Co., vice-president.
W. J. Howe, Adamson's, Ltd., secretary-treasurer.
L. R. Freeman, Zurich, W. D. Black, Norwich Union, W. Sheppard, General Exchange, H. R. Wilson, Pilot, directors.

New Licenses

The federal department of insurance has granted certificates of registry to the following companies to transact the classes of insurance named in addition to those for which they are already registered:

Economical Mutual Fire Insurance Co.—Accident, automobile, sickness.

Anglo-Scottish Insurance Co. Guarantee.

* * *

Application for incorporation in Quebec Province has been made for a company to be known as **Mount Royal Insurance Co.**, which would transact insurance other than life.

* * *

Sterling Insurance Co. has given notice of application for Dominion incorporation as a company to transact fire and other classes of insurance, and to take over the property of the present company of the same name, which was incorporated in Quebec in 1906. It is reported capital may be increased before operations are extended.

Sanctity of Contracts Essential to Business

Progress Dependent on Planning Based on Borrowings

By W. SANFORD EVANS

Briefed from an address before the annual convention of the Manitoba Associated Boards of Trade.

The future is, of course, always confronting us, but there are stages in our course when the direction we choose and the next step we take are of more serious consequences than at other times. It is my opinion that the present is such an occasion.

After cautiously and hesitantly making our way down a treacherous decline for four years, we have seemed, since Feb., 1933, to be on firmer and rising ground. Improvement that can be weighed and measured, although not equally distributed, has actually occurred. Economic conditions are definitely better. This is sound reason for increased confidence. That much misadjustment still remains and formidable obstacles are in the path are equally true and this must be clearly recognized. The great question for us today is how we can work together in the future even more effectively than in the past.

Borrowing Necessary

As we know the world, it could not continue to operate if everyone consumed at once all that was produced. We must have tools and machines, which are savings from immediate consumption. Then we must also have money, which is savings in another form. It takes time to adapt physical nature to human needs. From ploughing time to harvest is many months. It takes as long or even longer to process or distribute the world's raw materials, before their value can be realized upon. People must live during these processes, and therefore there must have been something saved from previous immediate consumption to enable the world to carry on. The man who can finance himself during the process is one who has done his own saving. Those who have not so saved must have access to the saving of others.

It requires the savings of four individuals, deposited in life insurance companies, to supply one mortgagor. It requires more than five depositors in mortgage and loan companies, or, taking debenture holders also into account, these companies must find three persons to entrust money to their administration to satisfy one borrower. That is the reason for financial companies. Individually, the property equities in money of those who lend are smaller than the equities a borrower would defend or increase by borrowing.

Must be Able to Plan

It is of the utmost importance that we should think simply and realistically, in their human setting, of those definite arrangements we make with each other which we call contracts. It is our nature to plan and consciously direct our own activities. One of the greatest difficulties of the last few years has been that general conditions were so uncertain we could not make our business plans with the confidence of other times.

If definite arrangements with others cannot be made, we cannot any of us make plans and dare not commit our resources of labor and property to the intricate processes of production. Co-operation is impossible if mutual arrangements cannot be depended upon. Inability to perform will, of course, occur, but only inability after honest effort can excuse the disruption of the very basis of co-operation, which is the reliability of contracts.

With regard to governments, we must meet our obligations to them, but they are especially bound to keep their word to us. They have greater power, and therefore greater ability to fulfil their undertakings. Certain governmental bodies with limited powers may at times find themselves in conditions beyond their immediate means, but the principle that government as a whole must keep its contracts cannot be compromised. Governments have responsibility not only for the particular expenditures they may at any time undertake but also for the general welfare of the people and therefore cannot by example or by enactment weaken or destroy the very foundation of human co-operation.

N. Y. Life Increases Dividends For 1937

New York Life Insurance Co. has issued a new dividend scale effective Jan. 1, 1937, for policies without disability and double indemnity benefits. Dividends for 1937 appear to be slightly higher than those in the 1936 scale. The board of directors of the company meeting Dec. 9 approved the dividend scale and interest rates for the first three months of 1937 and unless action to the contrary is taken, for the later months of 1937 as well.

The interest to be credited on dividends left on deposit with the company will be at 3% per annum. Interest to be credited on other funds left on deposit with the company will also be at 3% if the funds are subject to withdrawal on demand, and at 3½% if they are not so withdrawable.

Nova Scotia Trust Expands

Nova Scotia Trust Co., Halifax, has extended its Maritime operations with the opening of a new office at Sydney, N.S., on Pitt Street. A. C. Tufts is manager of the new branch.

FIDELITY Insurance Company of Canada TORONTO

THE LONDON & WESTERN TRUSTS COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO - WINDSOR - WINNIPEG - VANCOUVER

Guelph Wins Fire Contest

Results of Prevention Week Competition Announced

To Guelph, Ont., go first honors in the 1936 fire prevention week contest.

This competition, sponsored by the National Fire Prevention Association week last October, is based primarily on prevention activity in that period. While fire loss experience is taken into consideration, it is not given the same weight as reports of inspections, fire drills, lectures on prevention measures, exhibits, and the report of the fire chief.

Greatest number of reports were received from Quebec, with Ontario second and British Columbia third. Following Guelph, three cities, Edmonton, Windsor and Hull, were tied for second place, with Montreal and Trail, B. C. tied for fifth position.

Winning cities and towns according to classification were:

Class "A," cities with population of 100,000 or more—British Columbia, Vancouver first; Ontario, Windsor first; Quebec, Montreal first, Quebec City second.

Class "B," cities with population of 25,000 to 99,000—Alberta, Edmonton, first; Calgary, second; Nova Scotia, Halifax, first; Ontario, Kitchener, first; Quebec, Hull first; Outremont, second; Three Rivers, Verdun and Westmount.

Honorable mention: Saskatchewan, Regina, first; Saskatoon, second.

Class "C," cities with population less than 25,000—Alberta, Lethbridge, first; Medicine Hat, second; Red Deer.

Honorable mention: British Columbia Trail, first; Cranbrook, second; Fernie, New Westminster and Vernon.

Honorable mention: Nova Scotia, Sydney, first.

Honorable mention: Ontario—Guelph, first; Perth, second; Niagara Falls, Woodstock, Petrolia, Sarnia, Alexandria, Galt, Renfrew, Brockville and Sault Ste. Marie.

Honorable mention: Quebec, Beauceville, first; Joliette, second; Shawinigan Falls, St. Hyacinthe, Arvida, Chicoutimi, Valleyfield, Levis, Magor, La Tuque, Lauzon, Pte. Claire, Megantic, Beauport, Ste. Marie, Beauce County, Dolbeau, Ste. Anne de Bellevue, Montreal South, St. Alexandre d'Iberville.

Honorable mention: Saskatchewan, Yorkton, first; Rosetown, second; North Battleford.

Older Policies Gain In London Life Plan

Higher dividends to holders of ordinary participating policies which have been 21 years or more in force are announced this week by London Life Insurance Co.

For all other ordinary participating policies the 1936 scale of dividends will be continued in 1937.

The company also announces that the rates of interest credited on dividend accumulations and amounts left on deposit will be the same in 1937 as in 1936. The rate in each case is 4¼%.

Urge Regular Treatment For Air Travel Insurance

That air transportation should be placed on the same footing as other means of communication, the recommendation has been made by a subcommittee on Air Law of the International Chamber of Commerce recommending that accident and life insurance policies should include air risks of passengers of regular air lines over continental routes without additional premiums.

The committee met recently at Paris and included representatives from Belgium, France, Germany, Great Britain, Japan and U. S. A.

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

FIRE - MARINE - PLATE GLASS
1807
EAGLE STAR & BRITISH DOMINIONS
INSURANCE COMPANY LTD., of LONDON ENGLAND
HEAD OFFICE FOR CANADA
217 BAY STREET, TORONTO
Manager ..... J. H. RIDDEL
Ass't Manager .. V. G. CREBER
DALE & CO., LTD., General Agents
Toronto Montreal Halifax
E. L. McLEAN, LTD., General Agents
Toronto

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE · WINNIPEG
Splendid Agency Opportunities Available

ESTABLISHED IN 1850 ÆTNA SYMBOL OF SECURITY
The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .
CALGARY · MONTREAL · TORONTO · VANCOUVER · WINNIPEG

Does your Fire Insurance PAY DIVIDENDS?
BRANCHES: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Kelowna, Victoria, Vancouver
Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to $1,098,428. Ask our nearest office for particulars.
NORTHWESTERN MUTUAL FIRE ASSOCIATION

Fire and Windstorm INSURANCE
Over Half A Century of "Service with Security" Est. 1884
PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
DIRECTORS and OFFICERS
JAMES McKENZIE — D. L. CAMPBELL, M.L.A.
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ROBERT McDERMOTT — A. SULLIVAN, K.C.
JOS. TRIMBLE — E. H. MUIR, Vice-President
M. G. TIDSBURY, President
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A. G. HALL, Treasurer
Branches: WINNIPEG, REGINA, CALGARY
The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE MAN

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 28

Range 1936 High	Low	Div R'te $	Dec26 Y'ld %		Sales	Last Dec. 21	Week end. Dec. 28 H	L	Cl'se
				A					
5½	1½	.	...	Abitibi ...	43757	4½	5½	4¾	5½
37	6½	.	...	Do. pref. 6%	3805	32½	36½	31½	35
77½	48	.	...	Do. pref. 7%	12	60	60½	48	60½
36½	6¾	.	...	Do. cert. dep.	800	33	35	32½	35
5	4½	10c	...	Acadia Sugar	....	(5 bid 5½ asked)			
21	14½	50c	2.8	Acme Glove	....	(— bid 19 asked)			
100	94	6.50	6.9	Do. pref.	....	(— bid 95 asked)			
10	7½	40+20c	7	Agnew Surp.	220	8½	8½	8½	8½
110	100	7	6.5	Do. pref.	....	(107 bid 110 asked)			
6	2	.	...	Alta. Pac. Gr.	80	4½	4½	4½	4½
39	19	.	...	Do. pref.	155	27	27½	26	27½
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
6	2	.	...	Amal. Electric.	....	(5 bid — asked)			
29	14	.	...	Do. pref.	....	(27 bid — asked)			
40½	29¾	60+40c	.	Amer. Cyn. B.	....	(— bid 40 asked)			
56	51¾	3.50	6.5	Ang. C. Tel. p.	....	(50 bid 55 asked)			
120	17½	.	...	Asbestos v. t.	5373	115	117	113	117
15	9½	60+25c	.	Assoc. Brew.	105	12	11½	11	11½

[illegible]

Government Bonds

December 30, 1936

Dominion of Canada Bonds			Dec. 30 Bid	Asked	Approx. Yield	Dec 23 Bid
†‡Dominion	5	1 Mar. 1937	100.50	101.00	.20	100.50
‡Dominion	5½	1 Dec. 1937	103.85	104.35	.83	103.85
Dominion	2½	15 Oct. 1939	103.00	103.50	1.24	103.00
Dominion	4	15 Oct. 1939	107.00	107.50	1.29	107.00
Dominion	2	15 Nov. 1939	102.00	102.50	1.13	102.00
Dominion	1½	1 June 1940	100.15	100.65	1.31	100.15
Dominion	4½	1 Sept. 1940	109.50	110.00	1.72	109.50
Dominion	1	15 Mar. 1941	98.00	98.50	1.36	98.00
Dominion	5	15 Nov. 1941	113.35	113.85	2.02	113.35
Dominion	3	15 Oct. 1942	105.00	105.50	1.99	105.00
Dominion	2½	1 June 1943	102.15	102.65	2.06	102.15
Dominion	5	15 Oct. 1943	114.50	115.00	2.59	114.50
Dominion	4½	15 Oct. 1944	113.15	113.65	2.56	113.00
■Dominion	2½	15 Aug. '43-45	100.65	101.15	2.31▲	100.85
Dominion	4	15 Oct. '43-45	109.50	110.00	2.40▲	109.40
Dominion	4½	1 Feb. 1946	113.15	113.65	2.79	113.00
Dominion	3½	15 Oct. '44-49	105.65	106.15	2.64▲	105.35
Dominion	4	15 Oct. '47-52	109.00	109.50	2.96▲	109.00
Dominion	3	1 June '50-55	101.00	101.50	2.86▲	101.00
Dominion	4½	1 Nov. '46-56	112.00	112.50	3.04▲	111.85
Dominion	4½	1 Nov. '47-57	112.00	112.50	3.14▲	112.00
Dominion	4½	1 Nov. '48-58	112.75	113.25	3.16▲	112.50
Dominion	4½	1 Nov. '49-59	113.00	113.50	3.22▲	112.75
■Dominion	3¼	15 Jan. '56-61	102.65	103.15	3.04▲	103.15
Dominion	3¼	1 June '56-66	102.00	102.50	3.08▲	102.00
♦Dominion	3	Perp. bonds	96.65	97.15	3.09	96.40
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	101.00	102.00	2.87	101.00
Can. N. Ry.	3	1 May 1944	103.50	104.50	2.33	103.25
Can. N. Ry.	3	15 Dec. '45-50	100.50	101.50	2.81▲	100.25
Can. N. Ry.	3	15 Feb. '48-53	100.00	101.00	2.90▲	100.00
*Can. N. Ry.	4½	1 Sept. 1951	115.50	116.50	3.11	115.50
*Can. N. Ry.	4½	1 Feb. 1956	115.75	116.75	3.32	115.75
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.40	115.00
*Can. N. Ry.	4¾	15 June 1955	118.00	119.00	3.36	117.75
Can. N. Ry.	5	1 Feb. 1954	118.75	119.75	3.48	119.00
*Can. N. Ry.	5	1 July '44-69	118.25	119.25	2.76▲	118.25
*Can. N. Ry.	5	1 Oct. '49-69	120.25	121.25	3.29▲	120.25
*M. Harb. C.	5	1 Nov. '49-69	120.50	121.50	3.27▲	120.75
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.50	104.50	3.65	103.50
†N. Bruns.	4½	15 Apr. 1961	110.75	111.75	3.76	110.75
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	115.50
N. Scotia	3	2 Sept. 1945	100.25	101.25	2.83	100.25
N. Scotia	4½	15 May 1943	108.00	109.00	2.96	108.00
†N. Scotia	4½	15 Sept. '47-52	111.50	112.50	3.14▲	111.50
†N. Scotia	5	1 Mar. 1960	118.00	119.00	3.77	118.00
*Ontario	4	1 June 1962	108.00	109.50	3.44	108.00
*Ontario	4½	1 Sept. 1944	113.25	114.25	2.46	113.25
Ontario	4½	1 June 1950	112.50	113.50	3.25	112.50
*Ontario	4½	15 Jan. 1962	115.50	117.00	3.49	115.50
Ontario	5	15 Oct. 1948	115.75	116.75	3.30	115.75
*Ontario	5	2 Dec. 1960	121.50	123.00	3.56	121.50
Ontario	5½	1 July 1946	116.75	117.75	3.30	116.75
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	.50▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	118.00	119.00	3.75	118.00
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	108.00	109.00	3.25	108.00
Quebec	4¼	1 Aug. 1958	111.50	112.50	3.44	111.50
Quebec	4½	2 Jan. 1963	113.75	114.75	3.63	113.75
Western—						
Alberta	4	15 Dec. '49-54	66.00	69.00	§	67.00
†Alberta	4	1 Dec. 1957	68.00	71.00	§	69.00
Alberta	4½	1 Oct. 1951	77.00	80.00	§	77.00
†Alberta	4½	1 Oct. 1956	72.00	74.00	§	72.50
†Alberta	5	1 Jan. 1948	72.50	75.00	§	73.00
Alberta	5	1 Sept. 1955	72.00	74.00	§	73.00
*Alberta	5	1 Oct. 1959	72.50	75.00	§	73.00
†Alberta	5½	1 Jan. 1947	73.00	75.50	§	73.00
Alberta	6	1 Mar. 1947	73.50	75.50	§	73.00
†Brit. Col.	4	1 Dec. 1957	93.00	94.50	4.40	92.50
*Brit. Col.	4½	15 Jan. 1951	98.00	99.50	4.55	97.50
†Brit. Col.	4½	1 Oct. 1953	97.50	98.50	4.63	97.50
†Brit. Col.	5	15 Jan. 1948	99.00	100.50	4.94	99.50
Brit. Col.	5	1 Sept. 1953	99.00	100.50	4.95	99.00
Brit. Col.	5½	1 Feb. 1945	101.00	102.50	5.11	101.00
Brit. Col.	6	15 Feb. 1947	101.50	103.00	5.62	101.50
Manitoba	4	2 Jan. 1950	89.00	91.00	4.95	89.00
†Manitoba	4	1 Dec. 1957	90.00	92.00	4.60	91.00
†Manitoba	4½	15 Dec. 1956	93.50	94.50	4.94	93.00
†Manitoba	5	15 June 1964	98.50	100.00	5.00	98.50
*Manitoba	5	2 Dec. 1959	99.00	101.00	4.92	99.00
Manitoba	5½	1 Oct. 1955	98.00	99.00	5.58	98.00
Manitoba	6	1 Apr. 1947	99.00	100.00	6.00	99.00
Sask.	4	15 Aug. 1953	80.00	82.00	5.66	80.00
Sask.	4	1 Nov. '55-60	79.00	81.00	5.42	79.00
*Sask.	4½	2 July 1945	91.00	92.50	5.62	91.50
†Sask.	4½	1 Oct. 1951	89.00	90.50	5.43	89.00
†Sask.	4½	15 Mar. 1960	87.00	89.00	5.32	87.50
Sask.	5	1 Aug. 1958	89.00	90.50	5.77	88.00
†Sask.	5½	15 Nov. 1946	95.00	96.00	6.04	95.00
Sask.	5½	1 Oct. 1952	93.00	94.50	6.04	93.00
Sask.	6	15 Mar. 1952	94.50	96.00	6.41	95.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Mining Stock Quotations

WEEK ENDED DECEMBER 28

Par Val.	Range 1936 High	Low	Company	Sales	Close Dec. 21 (or last)	High for week	Low for week	Close Dec. 28
1	.13½	.04	Afton	10,700	.08	.08	.07	.08
No	1.83	.88	Aldermac	153,303	1.61	1.73	1.61	1.67
1	.10	.01½	Alexandria	12,500	.04	.04	.03½	.03½
No	.12½	.03½	Algoma	11,000	.05	.05½	.05	.05½

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Assoc. of Can.)

December 29, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 29	Asked	Bid Dec. 22
*Ass. Tel. & Tel.	5½	'55	87	90	85
Beauharnois P.	5	'73	62½	65½	...
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Pwr.	5	'60	96	99	96
†Can. Nor. Pwr.	5	'53	103	106	103
*Dom. Gas & El.	6½	'45	93½	96½	94
*Gatineau Pwr.	5	'56	102½	105½	102
*Do., A	6	'41	100½	103½	100½
*Do., B	6	'41	99	102	99½
*Inter. Hydro-E.	6	'44	79	82	81½
*Inter. Power	6	'57	95½	98½	95½
*Do.	6½	'57	98	101	98
†Maclaren-Que. Power	5½	'61	97	100	97½
†Do.	5½	'64	97	100	97
†Mtl. Island Pr.	5½	'57	104½	107½	104½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103½	106½	104
†Do.	5	'55	83	86	83½
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat'l. L. & P.	6	'49	96½	99½	96½
†N. S. L. & Pr.	5	'58	103	106	103
Do.	5	'65	102	105	102
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	89	92	88½
†Power Corp.	4½	'59	100	103	100
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104	107	104½
†Shaw. W. & Pr.	4	'61	99½	102½	99½
†Do.	4½	'70	103½	106½	103½
†South. Can. Pr.	5	'55	102½	105½	102½
†United Secs.	5½	'52	79	82	79
*Winnipeg Elec.	4½	'60	104	107	104
Do., A	4	'65	81½	84½	82
Do., B	4	'65	73½	76½	73
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	79½	82½	77½
†Alta. Pac. Gr.	6	'46	96	99	96
Asbestos Corp.	5	'42	110	113	...
B. A. Oil	4	'45	103½	106½	103½
Canada Bread	6½	'41	109	112	...
†Canada Cement	4½	'61	103½	106½	103½
†Can. Steamship	6	'41	64	67	61½
Can. Canners	4	'51	99½	102½	99
Can. Bakeries	6½	'45	99	102	...
*Can. Inter. P.	6	'49	101	104	101
C. P. R.	3½	'51	100	103	100
Do.	4	'49	105½	108½	105½
Do.	4½	'44	102	105	102
Do.	4 Perp.		97½	100½	98½
†Can. Vickers	6	'47	99	102	99½
†Consol. Paper	5½	'41	70	73	68½
*Dominion Coal	6	'55	99½	102½	99½
Dom. Sq. Corp.	6	'48	66	...	...
‡Dom. Stl. & C.	6½	'55	88	91	...
†Dominion Tar	4½	'51	101	104	101
†Donnacona P.	3-4-4½	'56	88½	91½	82½
†Eastern Dairies	6	'49	82½	85½	82
†Famous Players	4½	'51	100	103	100
†Federal Grain	6	'49	100	103	100
†Fraser Cos.	6	'50	101½	104½	101½
†Gen. Steel W.	6	'52	103½	106½	103½
*Gt. Lakes Pap.	5	'55	87½	90½	87½
†Gypsum, L.&A.	5½	'48	102	105	102
†Gr. Br. & Candn. Invest.	4½	'59	85	88	...
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'55	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	98	101	98
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103½	106½	103½
Inter-City West. Bakeries	6½	'50	55½	58½	54½
†Kingston Elev.	6	'50	98	101	98
†Lake St. John P. & P.	5½	'61	99	102	97
†Lond. Can. Inv.	4½	'48	94	98	...
†Maple L. Mill.	5½	'49	81½	84½	81
†Massey-Harris	5	'47	95	98	94
†McColl-Front.	6	'49	104	107	103½
†Mercury Mills	5½	'53	76	80	...
†Mersey Paper	6	'49	99	102	98½
*Minn. & Ont. P.	6	'45	56	59	53
Mtl. Dry Docks	6	'48	93	96	94
Nat'l. Grocers	4	'36-'47	101	...	...
†N. A. Elevators	6	'50	97½	...	...
Nor. Ont. Bldg.	6½	'39	97½	...	...
*Prov. Paper	5½	'47	103	106	103
Queen's Hotel	6	'47	99	102	98
†Restigouche Co.	6	'48	109½	112½	109½
Rich. Bay Bldg.	6½	'47	100½	103½	...
†Riordon P. & P.	6	'42	104	...	...
†Rolland Paper	4½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	99	...	...
†Smith, Howard	4½	'51	102	105	102
*Spruce Falls P.	5½	'42	101	104	...
†Steel of Can.	6	'40	112½	115½	112½
Sterling Coal	6	'40	90	...	...
Stop & Shop	6	'47	69	...	...
Twin City	5½	'52	92½	95½	92½
United Amuse.	5	'53	99	102	99
United Corp.	5	'53	96½	99½	...
Unit. Grain Gr.	5	'48	96	99	95½
Do.	5½	'49	98½	101½	98½
Union Gas	4½	'43-'50	98	101	97½
Zimmerknit	6	'51	100	...	...

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Winnipeg Stocks

(Transactions from Dec. 21 to Dec. 26)

	Sales	High for period	Low for period	Close Dec. 26
Ballor Gold	500	.05½	.05½	.05½
Cryderman	4,000	.02½	.02½	.02½
Flin Flon	6,200	.20	.18	.19
Gt. Falls M.	17,700	.21	.18	.20
Gold Lake	14,100	.05	.03	.05
Gurney Gold	3,450	.53	.45	.53
Ore Grande	2,100	.17½	.17	.17
Optic Lake	60	1.10	1.10	1.10
Oxford Mines	100	.65	.65	.65
Monarch Life	20	21.00	21.00	21.00
Marvel Oils	6,200	.07½	.07½	.07½
Rice Lake	1,000	.03	.03	.03
Packsack	200	.22	.22	.22
Sachigo River	125	18.00	18.00	18.00
United Grain	60	10.00	10.00	10.00
Wingold	2,150	.05½	.05	.05
Wings Ltd.	3,160	2.65	2.35	2.55
Wpg. R. Tin	2,000	.01¾	.01¾	.01¾
Wallace Lake	13,000	.03½	.03	.03
Wylie Dom.	900	.42	.41	.42
West. Brew.	75	1.25	1.25	1.25

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
Comm. Securities	..	10
Home Invest.	19	..
Northern Mtge., part pd.	..	3¼
North. Can. Mtge., pf.	4	..
Traders Bldg.	90	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Dec. 28	Yield %
Anglo-Huronian	20c	6.30	..
Beattie Gold	†5c	1.28	..
Bralorne	40c+15c	8.05	..
Buff. Ankerite	20c	12.00	1.7
Bulolo Gold	‡1.40	28.87	..
Cariboo	10c	1.57	6.4
Central Patricia	†4c	4.55	..
Coniagas	12½c	3.50	..
Cons. Smelters	$1+$1	80.00	..
Dome Mines	$2+$2	50.00	*8
Falconbridge	30c	11.75	2.5
Hollinger	65c+45c	13.37	*8.2
Howey Gold	2c	.61	..
Hudson Bay	$1	33.25	..
Island Mountain	‡10c	1.10	..
Int. Coal & Coke	‡1c	.22	..
Int. Nickel, c.	$1.60	63.75	2.5
Inter. Mining	45c	15.00	..
Kerr Lake	5c	.62	..
Kirk. Lake	‡3c	.84	..
Lake Shore	$5	58.00	*8.6
Lava Cap M.	4c+1c	.85	..
Little L. Lac	30c	7.50	..
Macassa	15c	8.10	..
McIntyre	$2	38.75	5.2
McKenzie R. Lake	6+1c	1.82	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	.85	..
Nipissing	50c	2.55	..
Nor. Can. Mining	2c	.59	..
Noranda	$3	75.00	4
Pickle Crow	20c	7.85	..
Premier	12c+4c	4.15	*3.8
Pioneer, B.C.	80c	5.30	15.1
Reno	12c	1.20	10
San Antonio	14c	2.40	..
Sheep Creek	6c	.80	10
Siscoe	20c	5.35	3.7
Sudbury Basin	10c	6.00	..
Sylvanite	20c	3.40	5.9
Teck-Hughes	40c+5c	5.30	*8.5
Toburn	8c	3.75	2.2
Ventures	2½c+2½c	2.90	..
Ymir Yankee Girl	5c	.35	..

‡Interim. †Initial. *Yield includes bonus.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.55	4.90
Can. Invest. Fund	4.70	5.05
All Can. Trustee	14.50	15.25
Trans-Canada	14.20	15.00
Grouped Income	6.61	7.25
Can. Equity	13.50	...
Can. Int. Tr. modified	6.00	6.50
Do., unmodified	5.50	6.00

Unlisted Mines

December 29, 1936

	Bid	Asked
Admiral	.33	[illegible]
Albany River	.90	[illegible]
Algold	.44	[illegible]
Algoma Summit	1.81	[illegible]
Ardeen	..	[illegible]
Arrowhead	.46	[illegible]
Area	.05½	[illegible]
Athona	..	[illegible]
Augite	.31	[illegible]
Baldwin	..	[illegible]
Big Long Lac	.06	[illegible]
B.E.A.R.	..	[illegible]
Black Gold	.40	[illegible]
Blue Star	.25	[illegible]
Bousquet Gold	.07	[illegible]
Brae Breest	.22	[illegible]
Brengold	.18	[illegible]
Bilmac	.23	[illegible]
Bailor	.05	[illegible]
Bathurst	.04½	[illegible]
Beresford L.	.80	[illegible]
Calder Bosquet	.27	[illegible]
Callinan Flin Flon	.15½	[illegible]
Canadian Pandora	.19	[illegible]
Candalaca	.32	[illegible]
Centrecour	.22	[illegible]
Colonial	.39	[illegible]
Coin Lake	.20	[illegible]
Columario (new)	.02	[illegible]
Cuniptau	.12	[illegible]
Continental Kirk.	.34	[illegible]
Casey Summit	.20	[illegible]
Cres. Kirkland	.22	[illegible]
Casey Contact	.04	[illegible]
Condor	.07½	[illegible]
Canadian Kirk.	.02	[illegible]
De Santis (new)	.70	[illegible]
Derlak	.21	[illegible]
Dona Pat	..	[illegible]
Darwin	.37	[illegible]
Demp. Cad.	.38	[illegible]
Don Martic	.27	[illegible]
Dunlop (new)	.18	[illegible]
Doreva	.70	[illegible]
Dupont Hodgson	..	[illegible]
Delwood	.19	[illegible]
Electra Porc.	.40	[illegible]
Eva Lake	.15	[illegible]
Empress Cons.	.30	[illegible]
Franklin	.02	[illegible]
Falkenham	..	[illegible]
Forty-Four	..	[illegible]
Frontier R. Lake	.16	[illegible]
Galateas	.04	[illegible]
Garnet	.06½	[illegible]
Gateway Pat.	.11	[illegible]
Gillies Lake	.50	[illegible]
Gold Eagle	.72	[illegible]
Goldside	.06½	[illegible]
Golden Gate	.43	[illegible]
Gordon Lebel	.18	[illegible]
Gilbec	.06	[illegible]
Hayes Cadillac	.18	[illegible]
Holtyrex	.04½	[illegible]
Horseshoe	.12	[illegible]
Hudson Patricia	.09	[illegible]
Hugh Pam.	.20	[illegible]
Hutchison Lake	.20½	[illegible]
Jellicoe	.32	[illegible]
Johnson Nipigon	.05	[illegible]
Kaw Crow	.14	[illegible]
Kenecho	.14	[illegible]
Kenricia	.98	[illegible]
Keora	..	[illegible]
Kew 'Gama	.85	[illegible]
Kirk King	.21	[illegible]
Kerr Addison	.50	[illegible]
King Kirk	.04½	[illegible]
Kirkgood	.24	[illegible]
Kirk Gold Belt	.14	[illegible]
Lamaque	7.75	[illegible]
Lafayette	.03½	[illegible]
Lapa Cadillac	1.32	[illegible]
Leitch Gold	.90	[illegible]
Lake Rose	.15	[illegible]
Malartic	.58	[illegible]
McFarlane	.05	[illegible]
Manitoba Basin (new)	.03	[illegible]
Margaret	.30	[illegible]
Madsen Red L.	1.31	[illegible]
Magnet Lake	.11	[illegible]
Martin McNeely	.06	[illegible]
Matachewan Can.	.16	[illegible]
McCarthy Webb	.44	[illegible]
Mosher	.47	[illegible]
Murmac	..	[illegible]
Martin Bird	.30	[illegible]
Mooshla	.51	[illegible]
Monarch Mines	.34	[illegible]
McVittie Kirk.	.05½	[illegible]
Maritime	.42	[illegible]
North Shores	.04	[illegible]
New Augarita	..	[illegible]
Old Diamond	.43	[illegible]
Oklend	.63	[illegible]
O'Leary	.18½	[illegible]
Opemiska Cap.	..	.70
Oriole	.09½	.10
Oremond	..	.25
Ossian	.11	[illegible]
Phoenix Molybdenite	.52	[illegible]
Porcupine McNabb	.17	[illegible]
Porcupine Gold R.	.02	[illegible]
Porcupine Lake	.50	[illegible]
Porcupine Triumph	.16	[illegible]
Pascalis	.46	[illegible]
Porquin	..	[illegible]
Pandora Cadillac	.98	[illegible]
Red Crest	1.88	[illegible]
Richmac	.39	[illegible]
Rajah	.29	[illegible]
Roeanor	.19	[illegible]
Rouyn Reward	.06½	[illegible]
Rubec	.11½	[illegible]
Sand River	.30	[illegible]
Schreiber	.13	[illegible]
Silver Valley	.13	[illegible]
Skookum	.22	[illegible]
Smelter Gold	.09	[illegible]
South Keora	..	[illegible]
Spooner	.21	[illegible]
Springer	.15	[illegible]
Sturgeon R. Gold	.47	[illegible]
Shenango	.23	[illegible]
Siscoe Ex.	.49	[illegible]
Slave Lake	3.45	[illegible]
Upper Can.	.52	[illegible]
Tonawanda	.11	[illegible]
Wendigo	.29	[illegible]
West-Side	.09	[illegible]
W. Red Lake	.07	[illegible]
White Horse	.14	[illegible]
Winoga	[illegible]	[illegible]
Young Davidson	.19	[illegible]
Young Shannon	.15	[illegible]
Ypres Cadillac	.27	[illegible]
Wesley	..	[illegible]
Willport	.27	[illegible]

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Riordon Pulp	‡6%	1942	Dec. 31	105
Mississippi River	*5%	1951	Jan. 1	105
Avon River, A	5½%	1936	Jan. 1	103
Do., B	5½%	1937	Jan. 1	103
Do., C	5½%	1938	Jan. 1	103
Can. Bread	▲6%	1941	Feb. 1	110
Hospital of Infant Jesus, Que.	...	•	Feb. 1	101
New Eng. Power	5%	1951	Jan. 1	105
Indust. Accept. A	6%	1940	Jan. 25	105
Col. Steamships	†6%	1941	Jan. 1	100
Confed. Amuse. A	6½%	1951	Feb. 1	102
Tor. Harbor C.	4½%	1953	Mar. 1	103
Reliance Gr., A	6%	1948	Jan. 2	106
Cont. Paper Bag	5%	1960	Dec. 31	100
B. C. Power, A	5½%	1960	Mar. 1	104
Do., series B	5%	1960	Mar. 1	104
Can. Cons. Rub'r	6%	1946	Apr. 1	110
La Patrie Pub.	6½%	20-yr.	Jan. 1	106
Can. Crushed Stone	6½%	1944	Jan. 15	100
Can. Paper, A	6%	1945	June 4	103

For sinking fund: ‡$81,000. ▲$100,000. *$155,000. •Maturing from Aug., 1937, to 1956. †$33,000.

Stock Issues:

Toronto Elevators 7% Pref. Mar. 8 110

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	114.50	116.00	3.97
Hamilton	5	1950	111.00	113.00	3.78
Montreal	5	1945	105.50	107.00	4.00
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	106.50	108.00	4.43
Saint John	5	1950	107.00	108.50	4.19
†Toronto	4½	1955	112.00	114.00	3.45
†Vancouver	5	1950	90.00	95.00	5.53
Winnipeg	5	1944	98.00	101.00	4.83

†Payable Can. and N.Y.

Railway Earnings

Canadian Pacific Railway

November:	1936 $	1935 $
Oper. revenues	12,116,559	11,859,007
Oper. expenses	8,577,907	8,403,598
Net earnings	3,538,652	3,455,409
11 Mos. ended Nov.:		
Oper. revenues	126,309,559	118,097,638
Oper. expenses	106,540,256	99,006,128
Net earnings	19,769,303	19,091,510

Canadian National Railways

November:	1936 $	1935 $
Oper. revenues	16,151,674	15,267,706
Oper. expenses	13,768,403	12,918,552
Net revenue	2,383,271	2,349,153
11 Mos. ended Nov.:		
Oper. revenues	169,386,764	158,170,620
Oper. expenses	157,159,013	146,078,840
Net revenue	12,227,751	12,091,780

Week in Wheat

Lacking Stimulation Wheat Mart Hesitates

Some Nervousness Is Apparent in United States Markets — Liverpool Buyers Awaiting Argentine Supplies

From Our Own Correspondent

WINNIPEG.—Several causes have contributed to the recent hesitation of the wheat market. Chief of these is the feeling that perhaps wheat prices have gone high enough to suit the prevailing situation. Such an attitude is conducive to profit taking and it tends to check new buying among professionals.

Some new bullish factor not yet fully developed may have to appear to start prices upward again. A war scare would be such a factor and although something of that nature made its appearance immediately after Christmas it soon died down. Rumors that the United States Government is considering reducing duties in order to facilitate larger imports of Argentine wheat have caused some nervousness at Chicago in spite of the fact that practically no one believes such action probable. But Washington is credited generally with a desire to see wheat prices restrained from a further rise for fear of undue expansion in spring wheat acreage.

Liverpool millers are believed to be largely out of the market for the present, having covered immediate needs. They are now prepared to await the arrival of Argentine wheat.

Reports of heavy rains in both Australia and Argentine, which would tend to delay deliveries and impair quality, so far have failed to stimulate new buying enthusiasm.

No real acceleration in the rate of Continental buying is normally expected now for another month or two and while turnover on the Canadian market is still high exporters seem to have lost some of their recent aggressiveness.

Whither Prices?

WHILE U. S. Secretary of Agriculture Wallace continues to express uneasiness regarding the maintenance of present firmer wheat values, in view of the record acreage of winter wheat sown in United States this fall, his own Washington Bureau of Agricultural Economics predicts high levels for at least the remainder of the winter.

According to the Bureau it is expected that the marketing of new wheat from the Southern Hemisphere will have but little depressing influence, especially on U. S. domestic prices. The size of the Southern Hemisphere crops is now fairly well known, it is stated. Both world and domestic wheat prices have been unusually high in 1936 as a result of improved demand and small production.

Indications are that the seedings of U. S. winter wheat are large, continues the Bureau.

In Europe an acreage of winter wheat at least as large as last fall is seen as probable. In China the acreage is reported as curtailed. Seeding is progressing in India under satisfactory conditions.

• • •

Price Spread Widens

WIDENING spread between prices of Canadian and Argentine wheat on the British market is causing a certain amount of concern. Canadian traders are wondering just how wide they can afford that spread to grow, and still have reasonable assurance of cleaning up surplus wheat supplies before the end of the current crop year. Similar spreads have been blamed for the loss of a good deal of Canada's export trade to the Argentine in recent years. Experience proved then that some Canadian wheat, on account of its superior value for mixing purposes, could be sold at prices much above Argentine, but that the quantity became progressively smaller as the spread increased.

In the present situation, however, are many mitigating circumstances. There has been an advancing market, and Canada may have merely anticipated the advance more successfully than the Argentine. Wheat from the latter country now costs as much as Canadian did only a short while ago and it is expected to catch up further. Moreover, of the existing stocks of Canadian wheat at least 50 million bushels and perhaps more, will not be affected by Argentine competition during the months immediately ahead. Canada must have a carryover of at least 30 million bushels at July 31 next for exports during August, before the new crop is ready and also to supply the minimum amount of "working capital" wheat in different positions. There is also another 20 million bushels or more destined to be ground in United States mills. Argentine wheat cannot be substituted for any of these purposes, for which minimum amounts have been stated.

• • •

But No Real Alarm

BUT also to the 50 million bushels mentioned must be added an undetermined quantity, of perhaps 30 millions, representing quantities of wheat still in Canada but definitely sold for export. True, some of this might be resold by the British and Continental millers who have bought it, but any large movement of this kind is unlikely, as some of the flour to be made from it has already been sold.

With those different quantities accounted for, perhaps the total quantity of Canadian wheat which has to meet the impact of Argentine competition is not far from 70 million bushels, or not much more than two millions a week for the remainder of the crop season. Probably more than half can be sold even at a wide differential between Canadian and Argentine prices. Possibly all of it can be disposed of at this rate although most observers would agree that Canada would be getting dangerously close to the limit in making the attempt.

Even if the price differential does make a considerable difference in Canadian export sales during the next month or two, there is always the possibility of the differential narrowing once the first rush of Argentine selling is over, by early spring. Any firming of Argentine prices then, of course, would allow Canadian sales to expand again after Great Lakes navigation opens.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1937, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 8th December, 1936.

The Steel Company of Canada, Limited

Preference Dividend No. 102

Notice is hereby given that a dividend of Forty Three and Three-Quarter Cents (43¾c.) per share on the preference shares of the company has been declared for the quarter ending December 31, 1936, payable February 1, 1937, to shareholders of record at the close of business January 7, 1937.

By Order of the Board,
H. S. ALEXANDER,
Secretary.

Hamilton, Ontario.
December 22, 1936.

The Steel Company of Canada, Limited

Ordinary Dividend No. 80

Notice is hereby given that a dividend of Forty Three and Three-quarter Cents (43¾c.) per share on the Ordinary Shares of the company has been declared for the quarter ending December 31, 1936, payable February 1, 1937, to shareholders of record at the close of business January 7, 1937.

An additional dividend has also been declared, payable at the same time, of $2.00 per share on the Ordinary Shares toward equalizing the dividends heretofore paid on the Ordinary and the Preference Shares of the company.

By Order of the Board,
H. S. ALEXANDER.
Secretary.

Hamilton, Ontario.
December 22, 1936.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1936, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Tuesday, the 5th day of January, 1937, at 4 o'clock p.m. and payable on Friday, the 15th day of January, 1937.

By order of the Board.
PATRICK DUBEE,
Secretary.

Monday, December 21st, 1936.

DIVIDEND NOTICES

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend for the period ending December 31st, 1936, at the rate of 5% per annum has been declared upon the outstanding Cumulative Redeemable Preferred stock of Industrial Acceptance Corporation Limited, said dividend to be payable on the second day of January, 1937, to shareholders of record at the closing of business on the twenty-third day of December, 1936.

By Order of the Board.
J. B. PENNEFATHER,
Secretary-Treasurer.

Montreal, December 23rd, 1936.

A.J.Pattison, Jr. & Co. Limited

Established 1907

For twenty-nine years we have rendered a Standardized Service to BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS IN BUYING AND SELLING INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS

Royal Bank EL. 5101 TORONTO

Fairly steady country deliveries from the relatively small amount of grain now remaining in farmers' hands, coupled with slackening of exports due to a duller market, have resulted in a slowing down in the decline of Canadian stocks of wheat in marketable positions. The present position of visible is illustrated in the above chart and the position at the last date reported and export clearances are as follows:

Canadian Visible

Week of Dec. 18	Week Previous	Last Year
115,810,000	116,465,000	265,049,000

Export Clearances*

Week of Dec. 18	Week Previous	Last Year
3,710,703	4,276,555	2,595,420

*Plus U. S. imports.

Move to Insure U.S. Wheat Crop

Early enactment of production insurance covering the 1938 wheat crop is urged in the report of the special committee on crop insurance in the United States headed by Secretary of Agriculture Wallace.

The plan recommended by the committee would provide for insurance of yields only and not against possible declines in price. It would be administered by the department of agriculture and costs of storage and all overhead administrative expenses would be met by the Government. A minimum amount of participation would be required from counties or regions where the insurance would be sold.

"In view of past failures of crop insurance where an attempt was made to ensure price," the report states, "it is believed that payment of both premiums and losses should be in kind or cash equivalent. Such a plan would have the effect of storing up reserves of wheat in years of large crops and releasing them on the market in years of crop failure."

Premium rates would be determined on the loss experience on the individual farm insured together with that of the county or area in which it was located. In some areas, the report warns, the cost would be prohibitive; in others, long recognized as good farming territory, it would be very low.

Estimates are based on insurance of each farm up to 75% of its average wheat yield.

Australian Hard Wheat May Prove Boomerang

Considerable interest has been aroused in Great Britain over samples of a new hard wheat grown in Australia. Crops reveal this is very high in protein. As the new wheat is very similar in appearance to the regular Australian soft wheat it is expected there may be considerable difficulty in keeping the two varieties separated.

The feeling is also expressed in British wheat circles that there may be little advantage and perhaps a distinct disadvantage to Australia if it turns to this new type of wheat.

The Australian reputation in Great Britain has been built up on a soft and very white wheat. For a hard wheat Great Britain has always looked to Canada and similar countries. This hard wheat is usually blended with a soft type of good color such as Australia produces. So keen is the special demand for Australia soft wheat that in many years it has commanded a premium because of its scarcity. It is suggested in Great Britain that Australia might be well-advised to confine its efforts mainly to the production of the regular soft white wheat variety and only grow sufficient of the hard for its own domestic requirements.

D. C. MacLachlan, Pres. of Dominion Bakeries Ltd.

D. C. MacLachlan has been elected president of Dominion Bakeries Ltd., succeeding C. W. Band. Mr. MacLachlan is also president of Maple Leaf Milling Co. which controls Dominion Bakeries.

Mr. Band remains a director, and other directors were re-elected at the recent annual meeting.

DIVIDEND NOTICES

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 47

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c., per annum on the no par value COMMON STOCK of Southern Canada Power Company, Limited has been declared for the quarter ending January 31st, 1937, payable February 15th, 1937, to shareholders of record at the close of business on January 31st, 1937.

By order of the Board,
L. C. HASKELL,
Secretary.

Montreal, December 18th, 1936.

Brewing Corporation of Canada Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty-seven and one-half cents (37½c) per share on the Cumulative Sinking Fund Convertible Preference Shares of the Company has been declared, payable on the 15th day of January, 1937, to shareholders of record at the close of business on the 31st day of December, 1936.

By Order of the Board.
W. C. BUTLER,
Secretary.

Toronto, Ontario.
December 23, 1936.

New Advances Expected for Commodities

Rises Likely to be Reflected in '37 Retail Costs

Wholesale commodity prices advanced more in the last half of 1936 than in the preceding three years. Paced by raw materials and foodstuffs, the price level at the year-end had risen to the highest point in more than six years.

As yet the increase has had no very general effect on the prices of manufactured goods or the cost of living. It appears altogether likely, however, that the effect of the higher prices at wholesale, particularly of basic commodities, will seep through into retail costs and living expenses in the year just beginning.

As far as can be seen the advancing price trend in raw materials will be continued in 1937. Some reaction, temporary in nature, is slated for the not too distant future, many feel, but it should not be sufficient to seriously dampen prospects for still higher prices.

Business Improvement

Three factors share most of the glory for rescuing prices from the doldrums of the previous three years. Underlying the entire movement is improvement in business generally.

Drought conditions in agricultural areas last summer resulted in short crops, particularly in wheat. As goes the price of wheat, so, to a considerable degree, go the prices of other agricultural products.

About the same time, a demand arose in war-suspicious Europe for armament supplies, entailing higher prices for metals, and, in some measure, for textiles, hides and other necessary supplies.

Arising from, and adding to, the rising price level, has developed a less reassuring element—speculation. Reports from London indicate that British investors are transferring funds from industrial equities to commodities. It is also apparent in the United States, where "amateur speculators" are reputed to hold the highest percentage of commodity turnover in some years.

If speculation continues, some restrictive action will almost undoubtedly be taken to avert a sharp, temporary advance, followed by a most distressing hangover.

Currency Management

Hovering over the entire price situation, of course, is the question mark of monetary policy. With adoption of a greater degree of currency management, governments in most leading countries have served notice that they intend to exercise more control over domestic prices. Just what form this will take, it is very difficult to say. It appears certain, however, that in so far as they are able, the authorities will encourage an orderly advance in prices.

Featuring the advance in commodities in recent weeks have been metals, textiles, rubber and grain. Copper, of the metals, has been especially limelighted. Successive price increases have carried quotations to the highest in six years. Producers are now operating at 105% of quota and a further advance is considered likely. It is reported that Europe has visions of copper selling as high as 14 or 15 cents a pound this spring. Improving business and armament demand furnish the reasons.

• • •

Price Range

	Latest week $	Previous week $	Same week last yr. $
Cattle	6.25	6.35	7.00
Hogs	9.00	8.75	9.25
Copper, lb.	.11⅝	.11	.09¼
Cotton, lb.	.1281	.1298	.1205
Rubber, lb.	.2175	.2041	.1331
Sugar, raw, lb.	.0377	.0378	.0310
Silk, lb.	2.01	2.13	1.93
Wheat (Man.) bus.	1.27½	1.24¾	.84⅝
Coffee, lb.	.08¾	.09	.06½
Hides	.14	...	...

Weekly Indices

N. Y. Annalist	134.6	134.4	129.9
Fishers'	87.9	87.3	84.0
N. Y. Journal of Comm.	86.2	85.5	81.3
Crumps (Brit.)	77.2	76.5	68.6
U. S. Labor	83.4	83.0	80.8
Canada (D.B.S.)	79.5	77.9	72.8

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.) Retail (Nov.)	81.7	81.5	80.6
W'sale (Nov.)	77.2	77.1	72.7
U. S. Labor (Oct.)	81.5	81.6	80.5
Gt. Brit. (Aug.)	83.4	82.0	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929=100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North, Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York: Hogs—select bacons, Toronto.

Farm Prosperity in 1937 Hinges Only on Big Crops

In 1937 Canadian agriculture hopes to capitalize on some of the improvement made in 1936. Wider markets and much higher prices were achieved in the last year, but drought restricted production prevented anything like maximum exploitation.

Maintenance of present relatively improved prices is generally anticipated so that agricultural revenue in the coming year promises to depend almost entirely on production. This is in contrast to the year just closed when higher prices made a considerably smaller crop actually more valuable than the larger and more general one in 1935.

The year just closed witnessed final liquidation of world surplus wheat stocks with carryovers in most countries reduced again to a normal basis and a distinct threat of future scarcity replacing the former growers fear of glut.

While further light crops are possible in 1937, a restricted volume like that of 1936 is certainly not to be expected. The law of averages, and that is about all an agricultural prognosticator can go on so early in the year, would indicate the end of the cycle of short crops for the Western Hemisphere and the beginning of those bumper yields which European farmers enjoyed in the five years prior to 1935. Granted fair to good crops in Canada this summer and particularly in the Western Provinces, the recent bleak years on the prairies will seem like a bad dream.

An agricultural survey of 1936, as revealed in the following estimate, shows that most of the recovery has taken place in the improved values of field crops and livestock products with little changes in the other sources of farm revenue:

Gross Agricultural Revenue of Canada
(000's omitted)

	1936 $	1935 $	1934 $
Field crops	594,129	506,614	549,080
Farm animals	125,000	120,078	99,438
Wool	2,700	2,232	1,899
Dairy products	192,000	191,496	183,791
Fruit and vegetables	45,000	49,788	43,531
Poultry and eggs	51,000	50,434	45,515
Fur farming	4,700	4,122	4,534
Maple products	3,714	3,522	3,040
Tobacco	8,760	10,763	7,232
Flax fibre	*	321	250
Clover and grass seed	2,000	1,686	2,010
Honey	2,250	2,025	2,245
	1,031,263	943,081	942,565

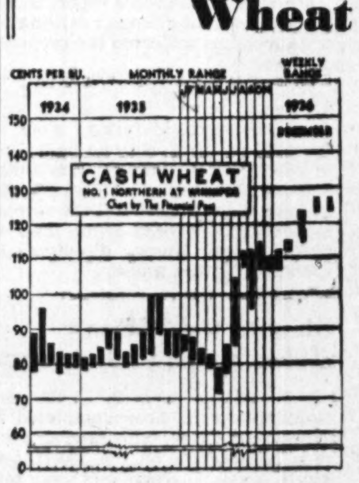
*Not available.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove	12½c	Jan. 2	Dec. 19
Do., pref.	$1.62½	Jan. 2	Dec. 19
Alta. Wood Pres. pf.	$1.75	Jan. 2	Dec. 23
Assoc. Brew.	15c	Dec. 31	Dec. 14
Agnew Surpass pf.	$1.75	Jan. 2	Dec. 15
Beaver Lumber, pf.	$1.75	Jan. 2	Dec. 24
Brewers & Distillers	•$1	Feb. 1	Dec. 29
Brit. Amer. Oil	20c	Jan. 2	Dec. 15
Do., bonus	20c	Jan. 2	Dec. 15
Bell Telephone	$1.50	Jan. 15	Dec. 23
B.C. Elec. P. & G. p.	$1.50	Jan. 2	Dec. 19
B. C. Power, A	40c	Jan. 15	Dec. 31
Brazilian Tr., ord.	40c	Jan. 30	Dec. 26
Brazilian Tr., p.	$1.50	Jan. 2	Dec. 15
Brockville Trust	62½c	Jan. 2	Dec. 20
Bruck S. Mills	10c	Jan. 15	Dec. 28
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Belding Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Bk. of Canada	$1.13	Jan. 2	Nov. 30
Bldg. Prod., A B	35c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Brant. Cord., 1st pf.	32½c	Jan. 15	Dec. 19
Bralorne M.	10c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Burt, F. N.	50c	Jan. 2	Dec. 10
Do., pref.	$1.75	Jan. 2	Dec. 10
Brewing Corp., pf.	37½c	Jan. 15	Dec. 31
Brit. Mtge. & Tr.	$4	Jan. 2	Dec. 18
Burry Biscuit, pf.	75c	Jan. 2	Dec. 23
Canada Packers	75c	Jan. 2	Dec. 15
Canada Life	$5	Jan. 2	Dec. 31
Can. South. Rly.	$1.50	Feb. 1	Dec. 28
Carnation, 1st pfd.	$1.25	Jan. 2	Dec. 17
Cons. Smelters	50c	Dec. 31	Dec. 14
Do., extra	$1	Dec. 31	Dec. 14
Consumers' Gas	$2.50	Jan. 2	Dec. 16
Crown Trust	$1.75	Jan. 2	Dec. 31
Can. Bronze	25c	Feb. 1	Jan. 20
Do., bonus	75c	Feb. 1	Jan. 20
Do., pref.	$1.25	Feb. 1	Jan. 20
Can. Cottons	$1	Jan. 2	Dec. 18
Do., pref.	$1.50	Jan. 2	Dec. 18
Can. Fairbanks, pf.	$1.50	Jan 15	Dec. 31
Can. Industries, A & B	$2	Jan. 30	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Light & Pr.	50c	Jan. 15	Dec. 31
Can. West'house	50c	Jan. 1	Dec. 21
Can. Celanese	40c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Can. Gen. Invest.	12½c	Jan. 15	Dec. 31
Can Canners, 1st p.	$1.50	Jan. 2	Dec. 15
Can. For. Invest.	40c	Jan. 1	Dec. 15
Do., pref.	$2	Jan. 1	Dec. 15
Canada Nor. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 21
Can. Wire Box	37½c	Jan. 2	Dec. 15
Cel. of Amer., pref.	$1.75	Jan. 1	Dec. 16
Do., pref.	$3.50	Dec. 31	Dec. 16
Cent. Can. Loan	$2	Jan. 2	Dec. 21
Chartered Trust	$1	Jan. 2	Dec. 15
Coniagas Mines	12½c	Jan. 11	Dec. 31
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 31
Confed. Life	$1	Dec. 31	Dec. 25
Cons. Bakeries, ord.	20c	Jan. 2	Dec. 15
Crown Cork	20c	Feb. 15	Jan. 30
Do., extra	20c	Jan. 2	Dec. 15
Can. Bread 1st pf.	$1.25	Jan. 2	Dec. 14
Do., B pfd.	62½c	Jan. 2	Dec. 15
Can. Perman. Mtge.	$2	Jan. 2	Dec. 15
Can. Gen. Elec.	$1.25	Jan. 2	Dec. 15
Can. Dredge	$1+1	Jan. 2	Dec. 15
Cariboo Gold	2½c	Jan. 2	Dec. 5
Crown Life	2½%	Jan. 2	Dec. 31
Canada Trust	$5	Jan. 2	Dec. 15
Canadian Fire	$2	Jan. 2	Dec. 21
Can. & Tor. Sec., c.	†8c	Feb. 1	Jan. 15
Can. Silk Prod., A	37½c	Jan. 2	Dec. 15
Dom. Fire	$3	Jan. 2	Dec. 31
Do., bonus	$2	Jan. 2	Dec. 31
Dome Mines	50c	Jan. 20	Dec. 31
Do.,	50c	Apr. 20	Mar. 31
Dom. Rubber, pf.	$1.75	Dec. 31	Dec. 18
Dom. Coal, pf.	38c	Jan. 2	Dec. 15
Dom. Glass	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 31
Dom. Bank	$2.50	Jan. 2	Dec. 19
East. Steel, pfd.	$1.75	Jan. 2	Dec. 22
Ensign Insur.	$1.50	Jan. 2	Dec. 31
Do., extra	25c	Jan. 2	Dec. 31
Excelsior Life	$1.20	Jan. 2	Dec. 31
Falconbridge N.	7½c	Dec. 31	Dec. 4
Gachin Gold	17c	Dec. 30	Dec. 15
Greening Wire, pf.	*$5.25	Feb. 1	Jan. 15
Gr.-West Life	$5	Jan. 2	Dec. 19
Goderich Elevator.	25c	Jan. 2	Dec. 15
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Greening Wire, pf.	$1.75	Jan. 1	Dec. 15
Do., arrears	$1.75	Jan. 1	Dec. 15
Gt. Lakes Pr., pf.	$1.75	Jan. 15	Dec. 31
Grey & Bruce Trust	2%	Dec. 31	....
Guar. Tr. of Can.	$2.50	Jan. 15	Dec. 31
Highland-Bell	†1c	Dec. 5	....
Highland Dairy, pf.	$1.75	Jan. 2	Dec. 24
Ham. Cotton, pf.*	50c	Jan. 1	Dec. 15
Ham. Un. Theat. pf.	$1.25	Dec. 31	Nov. 30
Hollinger M.	5c	Dec. 31	Dec. 14
Do., extra	10c	Dec. 31	Dec. 14
Harding Carpets	10c	Jan. 2	Dec. 19
Howey Gold	2c	Feb. 1	Dec. 31
Hudson's Bay, pf.	‡5%	Jan. 1	....
Huron & E. Mtge.	$1.25	Jan. 2	Dec. 15
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Coal	$2	Jan. 2	Dec. 21
Do., bonus	$2	Jan. 2	Dec. 21
Do., pref.	$4	Jan. 2	Dec. 21
Inter Milling, pf.	$1.25	Jan. 15	Jan. 5
Invest. Found., pf.	50c	Jan. 15	Dec. 31
Do., arrears	25c	Jan. 15	Dec. 31
Imperial Life	$3.75	Jan. 2	Jan. 2
Inter. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Inter. Power, pf.	$1.50	Jan. 2	Dec. 15
Inter State Rlty., A	28c	Jan. 1	Dec. 15
Int. Nickel, c.	40c	Dec. 31	Dec. 1
Imp. Tobacco, ord.	8½c	Dec. 31	Dec. 11
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Landed Banking	$1.25	Jan. 2	Dec. 15
Lang, J. A.	17½c	Jan. 2	Dec. 15
London Life	$2	Dec. 31	Dec. 26
Little Long Lac	10c	Jan. 15	Dec. 28
Jam. Pub. Ser.	43½c	Jan. 2	Dec. 18
Do., pref.	$1.75	Jan. 2	Dec. 18
Monarch Knit. pf.	$1.75	Jan. 2	Dec. 14
Mtl. Ref. & Storage, pf.	†$1	Jan. 2	Dec. 15
Mtl. Telegraph	80c	Jan. 15	Dec. 31
Mitchell, J. S., pf.	$1.75	Jan. 2	Dec. 11
Moore Corp.	40c	Jan. 2	Dec. 10
Do., pref. A B	$1.75	Jan. 2	Dec. 10
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 15
Do., bonus	$1	Jan. 2	Dec. 15
McColl-Front., pf.	$1.50	Jan. 15	Dec. 31
Manufacturers Life	$5	Jan. 2	Dec. 29
Mtl. L. H. & Power	38c	Jan. 30	Dec. 31
Mtl. Tramways	$2.25	Jan. 15	Jan. 5
New Eng. Pwr., pf.	$1.50	Jan. 2	Dec. 15
Do., arrears	50c	Jan. 2	Dec. 15
Do., $2 pref.	50c	Jan. 2	Dec. 15
Do., arrears	16⅔c	Jan. 2	Dec. 15
N. S. L. & Pr., ord.	$1.25	Jan. 2	Dec. 16
Nat. Breweries	50c	Jan. 2	Dec. 15
Do., pref.	43c	Jan. 2	Dec. 15
Nat. Grocers, pf.	$1.75	Jan. 1	Dec. 15
National Trust	$2	Jan. 2	Dec. 19
North Star Oil, pf.	*17½c	Jan. 2	Dec. 19
Niagara Wire, c.	40c	Jan. 2	Dec. 22
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ogilvie Flour	$2	Jan. 2	Dec. 19
Ottawa L. H.	$1.50	Jan. 2	Dec. 16
Do., pref.	$1.25	Jan. 2	Dec. 16
Ottawa Traction	50c	Jan. 2	Dec. 16
Page-Hersey	75c	Jan. 2	Dec. 15
Do., extra	25c	Jan. 2	Dec. 15
Pickle Crow	5c	Dec. 31	Dec. 16
Pioneer Gold	20c	Jan. 2	Dec. 1
Premier Gold	3c	Jan. 15	Dec. 18
Do., extra	1c	Jan. 15	Dec. 18
Power Corp., pfd.	$1.50	Jan. 15	Dec. 31
Do., 2nd pf.	75c	Jan. 15	Dec. 31
Premier Trust	$2.50	Dec. 31	Dec. 19
Prov. Paper, pfd.	$1.75	Jan. 2	Dec. 15
Porto Rico Pwr., pf.	$1.75	Jan. 2	Dec. 15
Rob. Cons. Cone	25c	Jan. 2	Dec. 15
Rosedale Gold	1c	Dec. 1	Nov. 25
Real Estate Loan	$1	Jan. 2	Dec. 17
Reno Gold	3c	Jan. 2	Dec. 10
Remington Rand	15c	Jan. 2	Dec. 10
Do., stock bonus	1%	Jan. 2	Dec. 10
R. S. Mills, A	50c	Jan. 2	Dec. 15
Do., extra	$1.75	Jan. 2	Dec. 15
Russell Motor	$1.50	Dec. 31	Dec. 21
Do., pref.	▲$1.17	Dec. 31	Dec. 21
Do., arrears	$1	Dec. 31	Dec. 21
Saguenay Pr., pf.	$1.37½	Feb. 1	Jan. 15
Securities Hold., pf.	‡60c	Jan. 2	Dec. 19
Shawinigan W.	20c	Feb. 15	Jan. 20
Sheep Creek M.	2c	Jan. 15	Dec. 31
Smith, Howard, pf.	$1.50	Jan. 15	Dec. 31
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$2	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
Sher. Wm., pf.*	$1.75	Jan. 2	Dec. 15
Simon & Sons, c.	25c	Jan. 15	Dec. 31
Do., pref.	$7	Jan. 15	Dec. 31
Sylvanite Gold	5c	Dec. 31	Nov. 16
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
South Can. Pwr., pf.	$1.50	Jan. 15	Dec. 19
Std. Steel, pf.	*75c	Jan. 1	Dec. 15
Do., extra	*75c	Jan. 1	Dec. 15
Sudbury Basin	†10c	Jan. 2	Dec. 10
Super. Pete., ord. & c.	50c	Jan. 2	Dec. 11
Standard Fuel, pf.	$1.62½	Jan. 1	Dec. 15
Supersilk Hos., pf.	$1.75	Jan. 1	Dec. 18
Tamblyn, c.	†20c	Jan. 1, '37	......
Do., pref.	†62½c	Jan. 2	Dec. 19
Teck Hughes	10+5c	Jan. 2	Dec. 10
Thayers, pf.	$2.50	Jan. 1	Dec. 16
Tor. Mortgage	$1.50	Jan. 2	Dec. 15
Tip Top Tailors	25c	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Tor. Elevators, pf.	$1.75	Jan. 15	Jan. 2
Tor. Gen. Trusts	$1	Jan. 2	Dec. 19
Tuckett Tob., pf.	$1.75	Jan. 15	Dec. 31
United Corp., A	*75c	Feb. 15	Jan. 20
Un. Gold Eq., st. & c	4c	Jan. 15	Jan. 5
United Secs.	50c	Jan. 15	Dec. 26
Wabasso Cotton	25c	Jan. 2	Dec. 19
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 23
West. Grocers	60c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 19
Do., extra	10c	Jan. 2	Dec. 19
Wr.-Hargreaves	10c	Jan. 2	Dec. 14
Do., extra	5c	Jan. 2	Dec. 14
Do., interim	10c	Feb. 1	Jan. 6
Ventures	2½+2½c	Jan. 2	Dec. 15
West. Assur., pf.	$1.20	Jan. 2	Dec. 31

†Initial. *On arrears. ▲For 2 months. •Capital distribution. ‡Interim.
‡In addition, on July 1, 1936, preference shareholders received 30 shillings capital repayment on each share and all dividend arrears on the 30 shilling payment were liquidated.

Wheat Prices



(Cash Quotations)

	For Week Dec. 29 High	Low	Prev. Week High	Low
1 Man. Hard	1.28⅝	1.23¾	1.28⅛	1.21¼
1 Northern	1.28⅝	1.23⅜	1.28⅛	1.21¼
2 Northern	1.26½	1.21⅜	1.25⅛	1.19¼
3 Northern	1.24⅝	1.19⅞	1.22¾	1.16¾
4 Northern	1.20⅝	1.15⅞	1.18⅛	1.13¼
5 Wheat	1.15⅝	1.10⅞	1.13⅛	1.08⅛
6 Wheat	1.11⅝	1.06⅞	1.09½	1.04¼
Feed Wheat	.97⅜	.91⅞	.94⅛	.89¼
Vancouver: Week to Dec. 28:				
1 Northern	1.28⅞	1.22⅛	1.28⅛	1.21¼

Competitive Export Prices: Dec. shipment.

Week to Dec. 26	High	Low
No. 1 North. (Vanc.)	1.50⅜	1.48⅛
No. 2 North. (Atlan.)	1.49¼	1.46½
No. 1 North. (Atlan.)†	1.50⅜	1.48⅞
No. 2 North. (Vanc.)	unquoted	
Australian (afloat)	unquoted	
Australian*	1.38⅛	1.36½
Argentine Rosafe†	1.22⅞	1.21⅜
Indian (choice Karachi)	1.36⅛	1.34⅜

†Jan.-Feb. *Jan.

Winnipeg Grain Futures

Week to Dec. 29, 1936

Crop year from Aug. 1, 1936 High	Low		Open Dec. 23	High for week	Low for week	Close Dec. 29
		Wheat				
1.30¼	.93½	Dec.	1.24	1.30¼	1.23¼	1.27⅜
1.30⅝	1.05⅝	May	1.23½	1.30⅝	1.23⅛	1.27½
1.26⅜	1.03¾	July	1.19¾	1.26⅜	1.19	1.23¼
		Oats				
.53⅛	.41¼	Dec.	.50½	.53⅛	.50½	.52
.53	.42¼	May	.50	.52⅞	.49⅞	.51½
.51½	.43⅝	July	.48¾	.51⅝	.48⅝	.50
		Barley				
.88⅞	.50¼	Dec.	.80	.88⅞	.80	.88
.77¼	.50⅞	May	.71¼	.77¼	.71¼	.74½
.73⅞	.56¾	July	.67¼	.73⅞	.67¼	.70
		Flax				
1.88	1.56	Dec.	1.70	1.72⅛	1.70	1.72⅛
1.75¾	1.60½	May	1.72	1.75	1.69	1.74¼
1.75	1.63¼	July	1.71	1.73½	[illegible]	1.72¾
		Rye				
1.12	.61¾	Dec.	......	1.12	1.03⅛	1.09¼
1.14⅛	.62⅝	May	1.03¾	1.14⅛	1.03⅝	1.10⅜
1.12⅛	.78¼	July	1.01	1.12⅛	1.00½	1.07⅜

Millers Disappointed Product Not Featured

Canadian millers have expressed disappointment that the newly launched advertising campaign of the Canadian Wheat Board in Great Britain has not featured Canadian flour as well as Canadian wheat. Canadian millers argue that the best way to increase the use of Canadian wheat is to increase the consumption of Canadian flour.

If British millers, it is said, did not have to compete with the high quality of Canadian flour, there would be no necessity for them using Canadian wheat but so long as it is possible for bakers to obtain Canadian flour, English millers must also use the hard wheat from this Dominion.

Record Wheat Acreage

First official United States new crop report places present winter wheat acreage in that country at 67,187,000. This is the largest on record and nearly six million acres more than was sown in 1917 when the previous record was established. It is an increase of approximately 12 million acres over a year ago.

Possibility of a yield of 600 million bushels is foreseen, based on the present record acreage and the fair state of the crop at Dec. 1.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to Dec. 26.

Japan—Business expansion continues in spite of the unsettlement due to political problems, uneasiness concerning Government policies and the unsatisfactory trend of the negotiations with China; domestic and export trade has remained active and the raw silk industry was improved by favorable export volume and prices.

China—A formal agreement has been concluded for the construction of the Chungking-Chengtu Railway in Szechwan Province, the line to be completed in 2½ years; negotiations governing the loan for financing the construction of the Nanking-Kiangsi Railway have been passed by the legislature; shipping on the Yangtze River is hampered by extreme low water.

Germany—Industrial production continued its steady advance through October with the index at 114.3, the highest since 1929; November exports declined somewhat as compared with October, apparently owing to devaluation of other European currencies, and the favorable trade balance was somewhat curtailed.

Poland — Industrial activity improved during the third quarter, financial conditions were slightly better, and restocking of merchandise has been resumed.

To Develop Silica Sand

Sylvania Sand Corporation has been formed at Amherstburg to develop a large bed of silica sand, located in the lower Detroit River.

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Week in Mining

Market Proves Ability To Stand Sundry Shocks

Golds Featured by Several New Highs — Base Metals Still Firm

In the face of sporadic attacks from profit-takers, bears, and the shock occasioned by the Rubec report, the gold share market has demonstrated very forcibly its ability to take punishment.

Several stocks, notably, Macassa, Premier, Sladen Malartic, East Malartic, Pickle Crow and others in the medium and penny class, gained ground steadily, chiefly because of favorable news from the properties.

Among the base metals, the increase in lead prices occurring in the past few days, had its effect. Improvement is also noticeable, although to a less striking degree in zinc prices. These two factors, in addition to continued strength in copper prices, served to keep interest in the base metal stocks at high tempo.

Macassa at Depth

MACASSA, one of the strong spots on the board, hit an all time high for this stock at $8.30 per share. The high for 1935 for this stock, was $3.38. The change in market price reflects faithfully a tremendous improvement underground, dating from the discovery on the 3,000-ft. level of a large, higher than average grade, ore body. Work since this discovery was made has proved this ore on two, and probably three of the new lower levels.

This development, intensely significant for Macassa itself, is also significant for the whole western section of the Kirkland Lake camp.

The improvement which has taken place in the Macassa picture can be seen from the fact that ore reserves which, at the end of the 1935 fiscal year, stood at 71,990 tons, rose to 142,347 tons in 1936. The former figure was admittedly a slim margin for any producer. The latter figure was equivalent to two years' supply for the mill, usually considered a fair enough margin in Canadian mining. The latest development has, of course, increased this figure substantially.

* * *

Premier's Market

PREMIER, another active issue on interlisted markets, has been referred to on several occasions in these columns recently. The latest move appears to be caused by a combination of bullish sentiment regarding the Australian development, and at Silbak Premier, in the Portland Canal district of British Columbia. Premier owns a 40% interest in the Big and Little Bell properties in Western Australia, which, according to informed sources, are shaping up as huge tonnage, low-grade propositions.

This development, from this distance, looks like an important future source of income for Premier.

* * *

Chibougamau Rumors

THE argument advanced in support of the close-lipped policy of Consolidated Mining & Smelting Co., to the effect that release of further data on the Chibougamau development "would not be in the best interests of shareholders," was neatly answered by the market recently. Bear raiders, believed to reside in Boston, recently had a heyday with the stock, on the strength of rumors to the effect that Smelters were pulling out of Chibougamau. The rumor was promptly denied by Smelters officials, but in the meantime the harm had been done, and the stock had taken a severe beating.

If the public had been as well informed of developments at this property as they are in the case of most other important ventures, the bears would have had their troubles in breaking the market. However, a property as intriguing as the Chibougamau development, and one wrapped in such a cloak of secrecy, is easy prey for the market-makers, as events proved.

It cannot now be argued that shareholders would be more adversely effected by a detail report on results, than they have been, by the doubt and uncertainty which now surrounds this venture.

* * *

Ross Rumors

IT IS to be sincerely hoped that there is no foundation for the reports from the West, to the effect that Charles C. Ross, minister of lands and mines in the Aberhart Government, is considering resigning his post. Ross's elevation to the Cabinet was an extremely popular move, and his presence in the Alberta Government has done much to offset any diffidence which capital for the development of the oil fields in that province might have felt. In this respect alone, Mr. Ross has done much to bring about the improved conditions in the physical side of the oil and gas industry in the West. In addition, his straightforward method of approaching the problems facing the industry has received almost a universal approval from oil and mining men.

At a time when it is apparently on the threshold of big things, the Alberta oil industry cannot afford to lose Charles Ross.

November Gold Production At $6,882,936 in Ontario

In the first 11 months of 1936 gold produced by Ontario mines had a value of over $73 millions, according to figures released by the Ontario Department of Mines. This compares with a production value of $67.6 millions in the similar period of 1935.

The most striking increase in production is noticeable in the northwestern Ontario section, where 20 mines reported production in November. The Porcupine camp has succeeded Kirkland Lake as the largest producing area in Canada, as the following comparative production figures show:

Monthly Output of Ontario Gold Mines—1935-36

	1935 Tons Milled	1935 Value $	1936 Tons Milled	1936 Value $
Porcupine:				
First quarter	922,555	7,530,535	963,157	8,084,408
Second quarter	939,400	8,312,013	973,023	8,661,512
July	325,891	2,854,024	338,885	3,234,931
August	334,481	2,945,739	350,788	3,065,100
September	319,978	2,680,134	340,920	2,985,978
October	337,252	2,971,659	360,110	3,161,961
November	325,268	2,801,000	350,190	3,205,049
Total	3,504,825	30,095,104	3,677,093	32,338,939
Kirkland Lake:				
First quarter	478,229	7,843,745	516,798	8,464,680
Second quarter	494,556	8,271,005	549,962	8,584,337
July	172,025	2,847,528	188,918	2,820,900
August	174,634	2,886,670	186,008	2,731,137
September	165,969	2,706,896	177,894	2,622,448
October	174,629	2,876,141	187,829	2,766,556
November	166,239	2,805,696	185,086	2,701,695
Total	1,826,351	30,237,681	1,992,615	30,691,753
Matachewan:				
First quarter	66,593	295,824	90,506	364,733
Second quarter	76,854	351,576	98,633	367,941
July	27,232	115,524	31,837	109,472
August	29,960	138,335	31,602	115,031
September	30,599	147,577	29,555	104,241
October	34,461	163,185	32,757	131,181
November	30,970	145,387	31,605	134,837
Total	296,669	1,357,408	346,695	1,327,436
Northwestern Ontario:				
First quarter	182,054	1,046,649	260,518	2,146,105
Second quarter	216,718	1,606,841	263,388	2,295,941
July	57,611	585,981	87,823	776,154
August	84,196	656,498	98,031	841,857
September	79,915	652,949	106,469	908,072
October	84,875	691,144	94,067	868,926
November	82,748	692,077	100,935	841,355
Total	788,117	5,932,139	1,011,241	8,678,410
Total for Ontario:				
First quarter	1,649,431	16,716,753	1,830,979	19,059,926
Second quarter	1,727,528	18,541,435	1,885,036	19,909,731
July	582,759	6,403,057	647,473	6,941,457
August	623,271	6,627,242	666,429	6,753,125
September	596,461	6,187,556	654,948	6,620,739
October	631,227	6,702,129	674,763	6,928,624
November	605,285	6,444,160	668,016	6,882,936
Grand total	6,415,962	67,622,332	7,027,644	73,096,538

Mining Companies Newly Formed

Aloide Porcupine Mines—Ont. incorp., Dec. 10, 1936. H.O. Timmins. Author. cap., $3,000,000, par $1.

Cedar Bay Mines—Ont. incorp., Dec. 1, 1936. H.O. Fort Erie. Author. cap., $3,000,000, par $1.

Flavrian Gold Mines—Que. incorp., Dec. 1, 1936. H.O. Noranda. Author. cap., $3,500,000, par $1.

Melrose Gold Mines—Ont. incorp., Dec. 1, 1936. H. O. Toronto. Author. cap., $50,000, divided into 10,000 shares of $5 each.

New Belorrain Mines—Ont. incorp., Dec. 3, 1936. H. O. Toronto. Author. cap., $2,000,000, par $1.

Red Indian Gold Mines—Ont. incorp., Dec. 2, 1936. H. O. Toronto. Author. cap., $3,000,000, par $1.

Rey Ore Gold Mining—B. C. incorp., Dec. 10, 1936. H. O., 789 Pender St. West, Vancouver. Author. cap., 8,000 shares, no par value.

Yates United Mines—Que. incorp., Dec. 1, 1936. H. O. Montreal. Author. cap., $2,000,000, par $1.

Surrender of Charter

Blackstone Mining—Notice given Dec. 1, 1936, that company will surrender its charter Dec. 28, 1936.

Edhela Mines — Notice given Dec. 1, 1936, that surrender of charter has been accepted and was cancelled Dec. 28, 1936.

Kowkash Holdings—Notice given Dec. 8, 1936, that surrender of charter has been accepted and will be cancelled Dec. 31, 1936.

Change of Name

Direction Finders—Notice given Dec. 5, 1936, that name has been changed to Northern Survey and Exploration.

Kersley Gold Dredging—Notice given Nov. 26, 1936, that company will apply for approval to change its name to Coast Tunnelling.

Stock is Taken Up In Granville Oils

Royalite Oil Co., subsidiary of Imperial Oil, has taken up 30,000 shares of Granville Oils Ltd., part of a special allotment of 100,000 shares set aside for the major oil companies, Granville officials announce. It is understood that a further 25,000 shares has been taken up by Freehold.

Granville Oils, a recently incorporated Vancouver company has spudded in No. 1 well offsetting Turner Valley Royalties No. 1 and adjoining Sterling Royalite 3 and 4. The 40-acre lease of the company adjoins Turner Valley Royalties property on the west. Drilling is now under way.

Trail Smelter Receives 634 Tons in Week

Ore receipts at Trail Smelter between Dec. 8 and Dec. 14 inclusive totalled 479 tons, largest shipments being those of 110 tons from the Wellington mine at Beaverdell and the McAllister at Three Forks which shipped 147 tons. Receipts of concentrates from the Ymir, Wesko and Dentonia totalled 155 tons, a total of 634 customs receipts, in addition to 9,421 tons of Consolidated Mining and Smelting Company's own ore.

Power Developed For Pend Oreille

From Our Own Correspondent

VANCOUVER. — Formal approval of plans for power development at Metaline Falls by Pend Oreille Mines & Metals has been granted and a 600-ft. tunnel is now being driven to divert the waters of the river to the amount of 2,000 second feet.

Power installation will be ready by early spring, according to President Andrew Larsen. Two thousand horsepower will be provided by the new development, and capacity of the mill will be stepped up to three times present production.

Pend Oreille stock has been one of the big performers in recent weeks, ever since base metal prices started to soar. The new power development will make it possible for American Zinc Co. to operate the Grandview mill to treat ore from the working tunnel it is now driving on property of Metaline Mining & Leasing Co.

Wood Cadillac; Naybob Listed

Trading Opens on Toronto Exchange in Two New Gold Stocks

MINE ACTIVITIES

Stocks of Wood-Cadillac Mine and Naybob Gold Mines were listed on the mining section of the Toronto Exchange on Dec. 23.

Wood-Cadillac has an authorized capitalization of three million shares, $1 par value of which 2,840,300 shares were issued as of Dec. 7. The company has made application for issuance of supplementary letters patent increasing the capital stock to five million shares and application will be made for listing the additional two million shares in due course.

The company, incorporated in 1928, issued 1,360,000 shares for property and sold a total of 1,480,300 shares for cash, netting the treasury $185,230. A total of 737,205 shares are pooled. An underwriting agreement has been entered into on 50,000 shares at 30 cents until Aug. 1, 1937, and 100,000 shares at 35 cents by Oct. 1, 1937.

The company owns property in the Cadillac area of Quebec on which considerable surface work has been done. Diamond drilling is at present being carried out and shaft sinking will be started if results warrant.

Naybob owns about 606 acres in Ogden and Deloro Township, Temiskaming district, Ontario. A shaft has been sunk for 719 ft. and six working levels opened.

Naybob is capitalized at $3.5 millions in $1 par value stock. Of these, 1,150,000 shares have been issued for property and 662,541 shares sold for cash, leaving a total of 1,687,459 shares in the treasury. Stock sold for cash netted the treasury $244,220.

By agreement dated Nov. 5, 1936, one million shares were underwritten at prices ranging from 35 cents per share to 55 cents per share. The option expires June 10, 1938.

Mining News Concentrates

Aurimont Mining Co. — Arthur Skelhorne, who recently acquired the old-time Hazelton Gold Cobalt mine in B. C. from Aurimont, plans development of the property. The mine, already extensively developed, is reported to carry values in cobalt as well as gold and molybdenum oxide.

* * *

Bobjo Mines — has acquired full title to the Cowan property on the Echamamish River in Northern Manitoba. Diamond drilling and surface exploration has been carried on but work has now been suspended and will be resumed in the spring. Officials report that work done so far has been inconclusive but sufficiently encouraging to persuade the company to take over the property and resume work as soon as flying can be started in the spring.

* * *

Mar-Jon Oil Company—according to information from the company the standard rig with which the No. 3 well on the Watson structure has been drilled to the present depth of 5,310 ft. is to be replaced with heavy duty rotary equipment, this change being considered necessary in order to combat successfully the tremendous rock pressure which has made progress with cable tools difficult and slow. Mar-Jon Maxont No. 4 well drilling near by is reported making satisfactory progress and recently encountered a heavy gas flow.

* * *

Minto Mines—This British Columbia producer reports that November profits, before depletion, depreciation, and mineral tax amounted to $1,935.

* * *

Morris Kirkland Gold Mines—This property in the east Kirkland Lake section, has seen its first brick poured, according to officials. The brick, representing about a month's run of the mill consists of about 500 ounces of gold, and 1,000 ounces of silver, officials state, for a total value of about $17,000. The mill is handling about 100 tons per day, with heads averaging between $8 and $12 per ton.

* * *

Silver Valley Mines—reports financial arrangements have been made and funds are now available to permit a new development campaign at this property in the Gowganda area. The management reports that on the surface dump there are some 15,000 tons of ore that will average approximately 50 oz. silver per ton. It is planned to start development work the first week of January.

* * *

Stewart-Abate Gold Mines—Geo. W. Abate, mine manager at the Beatty-Munro property in a wire to the head office states that the latest diamond drill hole intersected six seats of mineralized quartz in an offshoot from the main vein at a depth of 29 to 35 ft. Drilling is being continued prior to underground developments.

Plans for 1937 Include Start On 20 Wells

Properties Fetch High Prices at Public Auction

From Our Own Correspondent

CALGARY.—With the opening of 1937, Alberta oil men anticipate the start of a development programme which will mean the almost immediate drilling of 20 new wells on what is now defined as the crude oil area of the Turner Valley structure as well as new tests of promising Alberta wildcat structure.

Early in the new year a number of structures, apart from Turner Valley, may be proved as crude oil fields The Arca well, now down more than 8,600 ft. and, at the present time, the deepest well in the British Empire is expected to strike production in January, and thereby prove up a large acreage west of High River. The Hunter Valley Co. is continuing its test west of Olds and it, too, should be completed in January. The Foundation Royalties crew has been transferred to the Pincher Creek structure and is undertaking the completion of that test. As the well is down 5,665 ft. completion should not be long delayed. The New Valley well is being swabbed preparatory to a production test while the Mar-Jon 3 well on the Watson structure is to be rushed to completion with rotary equipment. There is also the interesting test of the Kootenay Dome, west of Calgary, by Roxana Petroleums. According to officials of the company, a strike may be made at any time.

Oil Land Auctioned

Extent of the public interest in the Turner Valley crude oil area was evidenced at a sale of 360 acres of Provincial Government land, west of the crude producing wells in the south field, by tender. The Provincial Government realized $40,899 from the sale, an average price of approximately $110 an acre being paid. For one choice piece of acreage, comprising 40 acres south and west of Sterling Pacific 3, a price of $10,431 was paid by K. M. Leach, of Calgary, an average of approximately $260 an acre. The Government placed reserves of $50 an acre on all the acreage offered except the 40 acres bought by Mr. Leach upon which the reserve was $200 an acre.

Pending ratification by shareholders of Madison Oils, an agreement has been drawn up whereby a well will be drilled on Madison acreage in section 29, southwest of the Turner Valley Royalties well by interests in Vancouver represented by M. J. Davis.

Three New Companies

The Anglo-Canadian company's acreage in south Turner Valley will be developed by three new companies, Prairie Royalties, Firestone Petroleums and Monarch Royalties.

National Petroleum Co. has been organized as a subsidiary of Commonwealth Petroleums, with a capital of 1.5 million shares. Of this capital 400,000 shares of stock have been turned over to Commonwealth for 80 acres owned by Commonwealth in section 29, west of Turner Valley Royalties. A well is to be started at once on this acreage.

Flow Continues

The Foundation well is continuing to produce between 500 and 600 barrels of crude oil daily. A noteworthy fact concerning production is that the crude oil has the high gravity of 52 degrees, making it worth $1.91 a barrel of 35 gallons to the company. Tubing is being installed in the well and a substantial increase in yield is anticipated when this is done.

Tubing has been installed in the Royalite-Sterling Pacific 3 well and the well is in production although no production figures have been issued. It is believed to be producing in the neighborhood of 600 barrels a day.

Pacalta Oil Stock Listed in Toronto

Stock of Pacalta Oils has been listed on the mining section of the Toronto Stock Exchange, trading having started Dec. 21.

Pacalta was incorporated with a Dominion charter in April 1929. The company has an authorized capitalization of two million shares, no par value of which 2,188,840 have been issued. Of the issued stock, according to the listing statement, 778,500 shares were issued for properties and 510,340 sold for cash.

Under an option agreement dated Nov. 18, 1936, 400,000 shares of treasury stock are under option. Of this, 200,000 shares are to be taken up on or before Jan. 17, 1937 at 15 cents net per share and another 200,000 to be taken up on or before Feb. 16, 1937 at 20 cents net per share when the option expires.

Of the company's holdings in Turner Valley, Pacalta No. 1 well in the south section is now producing naphtha from the lime. This well was drilled to a depth of 5,395 ft. but it will probably be drilled deeper to the crude oil horizon. The company owns numerous other sites in Alberta, on which work is under way.

In a tentative balance sheet as at Nov. 30, 1936, cash in the bank is shown at $21,791. Royalties receivable amount to another $2,508. Investments and costs, including royalty certificates, Directors Royalties Ltd., 20 units of Shulap Gold Mining Syndicate, 9,000 shares of Peerless Gold Mines Ltd. and the book value of petroleum and natural gas leases is shown at cost of $14,582. Liabilities to the public are shown at $684,000. Unpaid royalties total $2,332.

Main Shaft at Siscoe Is Sunk to 1,850 Feet

Siscoe's main shaft has been sunk to 1,850 feet, and lateral development is now in progress on four new levels, 1,475, 1,600, 1,725 and 1,850 feet. Encouraging indications of new mineralization were encountered in cutting the station at 1,850 feet, where the downward dip of the K ore zone was located. Crosscutting to the ore zone on the three upper levels is in progress.

Unlisted Stock Quotations

(Furnished by A. J. Pattison Jr. & Co., Toronto)
Dec. 29, 1936

COMPARISON OF PRICES FOR 1934, 1935 AND 1936

	1934 Bid	1934 Asked	1935 Bid	1935 Asked	Dec. 29, 1936 Bid	Dec. 29, 1936 Asked
Industrial Stocks:						
Acadia Sugar, com.	3.00	3.25	3.75	4.10	5.05	5.30
Acadia Sugar, pfd.	4.70	5.00	4.85	5.15	5.10	5.40
Acme Farmers Dairy, pfd.	25.00	28.50	36.00	41.00	42.50	....
Algoma Steel, com.	....	....	....	....	16.00	17.00
Algoma Steel, pfd.	....	....	....	....	68.00	70.00
Andian National Corp.	38.00	39.50	47.50	49.25	47.00	48.00
Assoc. Tel. & Tel., pfd.	....	....	33.00	34.00	49.00	52.00
Brandram-Henderson, com.	....	....	1.50	....	1.25	....
Brandram-Henderson, pfd.	....	....	5.50	10.00	6.00	....
B. C. Pulp & Paper, com.	.20	.50	1.00	2.00	4.00	....
B. C. Pulp & Paper, pfd.	2.00	....	6.00	....	22.00	....
Burns & Co., A	Reorganized		11.00	12.50	11.75	....
Burns & Co., B	Reorganized		6.00	7.50	7.00	....
Canada Starch, com.	11.00	13.00	16.00	20.00	25.50	....
Canada Starch, pfd.	72.00	78.50	86.00	93.00	98.00	....
Canada Tea, pfd.	46.00	53.00	32.00	36.50	30.00	35.00
Can. Tube & Steel, com.	3.00	6.00	5.00	10.00	7.00	....
Can. Tube & Steel, 1st pfd.	20.00	...	45.00	52.50	73.00	....
Can. Tube & Steel, 2nd pfd.	10.00	....	12.50	15.00	17.50	20.00
Can. Wire & Cable, pfd.	60.00	62.00	92.00	96.00	118.00	121.00
Can. Airways	12.00	15.00	9.00	12.00	9.00	10.00
Can. Industries, A com.	191.00	201.00	225.00	230.00	245.00	249.00
Can. Industries, B com.	190.00	193.00	222.00	225.00	244.00	248.00
Can. Industries, pfd.	149.00	152.00	160.00	165.00	165.00	167.00
Can. Ingersoll-Rand	....	..	94.00	99.00	128.00	135.00
Can. Westinghouse	46.75	48.00	64.00	66.00	73.00	....
Chase, A. W., pfd. bonus	23.00	25.00	25.00	27.00	26.00	....
Claude Neon Gen. Adv., pfd.	....	....	4.50	5.50	7.00	8.50
Conduits National, new com.	Reorganized		....	....	4.50	5.00
Dom. Foundries & Steel, com.	Reorganized		31.00	35.00	81.00	....
Dom. Foundries & Steel, pfd.	Reorganized		90.00	93.00	98.00	101.00
Dom. Oilcloth	....	....	35.00	36.50	41.00	....
Dom. Rubber, pfd.	65.00	75.00	90.00	95.00	99.00	102.00
Dom. Woollens, com.	...	...	.15	.25	.30	....
Dunlop Tire, pfd	69.00	71.00	52.00	60.00	80.00	85.00
Eastern Dairies, pfd.	....	....	15.00	17.00	14.00	17.00
Edmonton City Dairy, pfd.	40.00	....	56.00	....	55.00	....
Federal Grain, com.	1.00	1.75	2.75	3.25	3.25	4.00
Federal Grain, pfd.	13.00	17.00	40.00	42.00	45.00	48.50
Goderich Elevator & Transit	6.50	7.50	6.75	7.00	9.25	10.50
Great Lakes Paper, com.	....		Reorganized	....	11.50	12.00
Great Lakes Paper, pfd.	....		Reorganized	....	28.25	29.00
Greening Wire, pfd.	78.00	82.00	101.00	105.00	105.00	111.00
Guelph Carpet, pfd.	92.00	94.00	101.50	103.00	105.50	106.50
Guelph Carpet, com.	7.00	10.00	16.50	18.50	23.25	24.50
Hayes Steel Prod., com.	....		Reorganized	....	6.00	....
Hayes Steel Prod., pfd.	....		Reorganized	....	7.50	....
Highland Dairy, com.	....	....	2.75	3.25	3.00	4.00
Highland Dairy, pfd.	....	....	72.00	80.00	....	84.00
Inter City Baking, com.	17.50	19.00	18.00	21.00	37.00	40.00
Inter. Metl. Indust., A pfd.	....	....	27.00	30.00	81.00	84.00
Maclaren Power & Paper, com.	....	....	5.00	5.50	31.00	33.00
Maritime Tel. & Tel., com.	....	....	13.50	14.50	16.50	17.50
Maritime Tel. & Tel., pfd.	....	....	14.00	15.25	17.50	18.00
Mercury Mills, pfd.	....	....	6.00	8.00	18.00	21.00
New Method Laund., pfd. bonus	....	....	73.50	78.00	82.00	....
Provincial Paper, pfd.	95.00	97.00	97.50	99.00	104.50	106.00
Reliance Grain, pfd.	66.00	68.00	85.00	88.00	96.00	98.50
Robinson Consol. Cone	....	....	10.00	11.50	9.00	10.00
Ruddy, E. L., pfd.	....	....	31.00	35.00	37.00	40.00
Standard Fuel, com.	....	....	....	....	9.00	10.00
Standard Fuel, pfd.	101.00	102.00	105.00	107.00	104.50	108.00
	with bonus		with bonus			
Supertest Petroleum, B pfd.	24.00	25.50	27.75	29.50	27.25	28.00
Toronto Carpet, pfd.	25.00	31.00	29.00	35.00	41.00	....
United Steel, A pfd.	...	....	4.90	5.40	14.00	15.00
Western Grain, pfd. bonus	9.00	10.00	16.50	20.00	10.50	13.50
Willards Chocolates, pfd.	....	....	9.00	12.00	22.00	....
Wings, Limited	....	....	....	....	2.50	2.65
Trust & Loan Stocks:						
Chartered Trust	70.00	75.00	77.50	81.00	87.00	....
Commercial Finance, com.	Reorganized		....	....	2.50	3.00
Guelph & Ont. Invest. par $50	....	....	....	....	49.00	51.25
London & Western Trust	45.00	50.00	36.00	42.00	53.00	56.00
Premier Trust	.. ..	....	89.00	95.00	....	103.00
Sterling Trust	....	45.00	30.00	36.00	33.00	....
Traders Finance, B pfd. bonus	48.50	52.00	65.00	71.00	86.00	....
Trusts & Guarantee	....	....	29.00	32.50	30.00	33.00
Insurance Stocks:						
British America Assce.	34.50	37.00	36.00	38.00	50.00	....
Canada Life Assce.	450.00	480.00	505.00	525.00	530.00	545.00
Canadian Fire Ins.	68.50	71.00	76.00	78.50	75.00	....
Canadian Insurance Shares	....	....	10.00	11.50	12.50	15.00
Confederation Life 20% pd.	120.00	125.00	114.00	119.00	112.00	115.00
Continental Life 20% pd.	37.00	40.00	36.50	39.50	38.00	45.00
Crown Life Ins. 100% pd.	105.00	....	110.00	....	150.00	....
Dominion Fire Ins.	95.00	104.00	112.00	118.00	135.00	....
Dominion Life 50% pd.	185.00	....	261.00	300.00	265.00	300.00
Dom. of Can. Gen. Ins.	95.00	102.00	80.00	....	118.00	125.00
Empire Life 25% pd.	....	....	6.00	7.00	7.50	8.50
Excelsior Life 30% pd.	71.00	75.00	69.00	71.00	69.00	72.00
Federal Fire 25% pd.	34.00	36.00	35.00	37.00	40.00	....
Fidelity Ins. of Can.	....	60.00	45.00	51.00	46.50	....
Great West Life Assce.	420.00	440.00	392.00	400.00	350.00	370.00
Guar. of N.A. fully pd.	200.00	225.00	220.00	....	285.00	....
Halifax Fire Ins.	....	....	20.00	21.50	23.00	24.50
Imperial Life	305.00	....	320.00	....	360.00	....
Manufacturers Life Ins.	243.00	250.00	248.00	255.00	245.00	255.00
Monarch Life 10% pd.	19.50	22.00	18.00	20.00	20.00	21.75
National Life 25% pd.	....	59.00	51.00	....	....	48.50
Sovereign Life 25% pd.	12.00	17.00	16.00	19.50	15.00	18.50
Sun Life Assurance	325.00	340.00	420.00	435.00	620.00	640.00
Toronto General Ins.	....	....	4.25	5.25	5.25	6.00
Western Assurance, com.	33.00	35.00	35.50	38.50	46.00	48.00
Western Assurance, 12% pfd.	....	....	39.00	41.00	41.00	44.00
Theatre Stocks:						
Allens Beach, pfd.	....	....	60.00	....	67.00	70.00
Allens Calgary, com	....	....	7.50	9.00	8.00	10.00
Allens Kingston, pfd.	....	....	53.00	....	61.00	....
Allens Parkdale, pfd.	....	....	42.25	45.00	71.00	....
Allens Toronto, pfd. bonus com.	25.00	....	28.00	31.00	30.00	35.00
Eastern Theatres, pfd.	....	....	80.00	85.00	72.00	75.00
Loew's Buffalo, pfd.	2.00	....	2.50	....	3.50	4.50
Loew's London, pfd.	3.80	4.00	1.90	2.10	2.75	3.00
Mansfield Theatre, pfd.	....	30.00	28.00	32.00	33.00	....
Paramount Kitchener, pfd.	....	...	30.25	35.00	52.00	....
Paramount Oshawa, pfd.	50.00	....	60.00	....	86.00	....
United Amusement, A	....	....	14.50	16.00	23.00	....
United Amusement, B	....	....	13.50	15.00	21.00	....
Investment Trust Shares:						
Can. General Invest.	6.00	6.25	7.50	7.90	10.70	11.00
Can. Int. Invest. Trust Units	....	7.50	29.00	....	105.00	....
Can. Investors Corp.	...	....	7.50	....	9.50	10.15
Cons. Div. Standard Sec. Units	9.00	10.00	10.50	11.50	18.50	19.50
Corporate Investors	....	6.00	....	6.50	....	8.00
Dom. Scottish Invest. Units	21.00	23.00	25.00	27.00	44.50	46.00
Investment Foundation Units	40.50	42.50	42.00	45.00	66.00	68.50
Securities Holding Units	10.00	12.00	15.00	18.00	24.00	25.50
United Corps. Ltd., A	14.25	15.75	22.00	23.50	26.75	27.50
United Corps. Ltd., B	4.50	5.25	7.50	8.50	18.75	19.50
Power Issues:						
Calgary Power, 6% pfd.	94.00	95.50	80.00	82.00	77.50	79.50
Can. Light & Power, com	21.75	23.00	21.00	24.00	20.00	25.00
Can. West. Nat. Gas L. H. & P., 6% pfd.	93.00	97.00	89.00	91.50	90.50	92.00
Can. West. Nat. Gas L. H. & P., com.	23.00	....	23.00	....	24.00	27.00
Great Lakes Power, pfd.	59.00	....	80.00	....	100.00	....
Inter. Utilities, 1.75 pfd.	....	....	12.50	14.00	12.00	13.50
Inter. Utilities, 7.00 pfd.	....	....	80.00	84.00	95.00	98.50
Montreal Island Power, pfd.	....	....	10.00	....	16.50	....
New Brunswick Power, com.	....	....	10.50	12.00	....	....
New Brunswick Power, pfd.	....	....	99.50	101.00	....	....
Nor. Ontario Power, 6% pfd.	91.00	....	99.00	102.00	104.00	105.00
Nova Scotia L. & P., 6% pfd.	....	....	....	....	104.00	106.00
Nova Scotia L. & P., com.	....	....	55.00	60.00	95.00	....

Rubec Still Has Chance, Colin Campbell Reports

That Rubec's property in northwestern Quebec still had "several favorable geological features" which justify further work, is the gist of the supplementary report on the property made by Colin. A. Campbell for the company.

Mr. Campbell recently reported that drill cores from this property had been "salted," but placed no blame on directors or promoters. He was engaged about the same time to make an examination of the property on behalf of the directors.

Mr. Campbell, in this report found that evidence of diamond drilling on certain claims indicated the presence of a drag fold.

Mr. Campbell declined to say in his second report how much money should be spent in further work at the property, but had "no hesitation in recommending that a substantial amount of money of at least $25,000" be laid aside to carry out the recommendations. Results from time to time should guide directors in spending further money.

Glenora Gold Mines Takes Shape Underground

Shaft at the property of Glenora Gold Mines has been completed to a depth of 470 ft. with lateral work now in progress on the 150-ft. and 450-ft. levels, shareholders were told in a recent report. On the 150-ft. level the vein is being drifted on westward toward the Toburn property. The vein on this level has widened from three to five feet the management reports. Values from channel samples so far have ranged from a few cents to $57.05 per ton. T. J. Day, president, reports that the company's present cash position is approximately $100,000.

Porcupine Triumph. A two-compartment incline shaft is being prepared to sink to the 200-ft. level, at this property in the Porcupine area. A station will be cut at this point and a drift will be sent out directly to the mineralized section intersected by diamond drilling. This programme follows six months of drilling and surface exploration work.

Canada Northern Power Reports Further Expansion

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp.'s output for November totalled 51.2 million kw.h., an increase of 2.2 million kw.h. over the same month a year ago. For the first 11 months of this year production totalled 541.9 million kw.h., or an increase of 14.5 million kw.h. over the corresponding 11 months of 1935.

Montreal Group Urges Wide Trustee Powers

MONTREAL. — Investigation of bankruptcy cases, or prosecution where evidence of fraud is found, should be carried out by the official trustee himself and not left to the creditors, in the opinion of the commerce committee of La Chambre du Commerce of Montreal.

AS the turn of the year approaches, our organization can be of definite service to the investor interested in the planning and maintenance of a sound and diversified investment program. Besides furnishing a year end analysis on present holdings, a copy of a brochure entitled "Ten Sound Investment Stocks" and a memorandum of five attractive junior gold stocks will be forwarded upon request.

Our organization gives particular attention to the requirements of mail order clients, and is well equipped to execute orders on all stock exchanges.

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Current Chatter From B. C.

From Our Own Correspondent

Reward Oils

C. P. Riel, of Reward Mining Co., has returned from the East, where he closed a deal for the financing of Reward Oils, Ltd., which has been organized to take control of Reward's Turner Valley leases.

* * *

Vidette Names Directors

Shareholders of Vidette Gold Mines, now reported near a dividend-paying status, added T. A. Kirk, of Vancouver, R. C. Smyth and Robert H. B. Ker, of Victoria, to the board of directors. Former directors re-elected are: C. E. Smyth, D. B. Starrett, G. Fred Long, Nelson Spencer, R. V. D. Guthrie and J. B. Harstone. Gordon F. Dickson, managing director, who had built up the property in recent years, died recently at the mine.

* * *

Gold From Alaska

The Clothier brothers, George A. and R. L., have bought the Apex and El Nido properties on Chichagof Island, off the coast of Alaska. These properties have already produced gold valued at $600,000 with a stamp mill.

* * *

Placer Gold Mines

Placering in the Vernon mining area at Lumby and Cherryville has also been active, although some of the operations have been closed by weather conditions. Placer Gold Mines has been developing five leases on Cherry Creek. They were acquired by C. Lorimer Cloburn, of Denver, Col.

* * *

Nelson Companies Merged

A merger of the Jennie Long and Kootenay Nevada mining companies has been effected. Both are in the Nelson district. The Jennie Long will be brought into production as soon as possible.

Soo Line's Net Deficit Continued Drag on C. P. R.

From Our Own Correspondent

MONTREAL. — Further financial assistance by the Canadian Pacific Railway for the Minneapolis, St. Paul and Sault Ste. Marie Railway is indicated by interim operating reports.

Cumulative returns for the first 11 months of 1936 show total revenues of $13,064,038, compared with $12,410,312 for the same period of 1935. The net deficit after provision for senior charges, including bond interest, was $5,052,784. This contrasts with a net deficit of $4,681,343 in the same period of 1935.

Inter. Pete Production Averages 93,490 Bbls. Day

Production of International Petroleum Co. was 2,804,711 bbls. of crude oil in November, a daily average of 93,490.

This is somewhat higher than the daily average for the first 11 months of 1936 of 92,350 barrels daily. The total production for 11 months was 30,937,319 barrels.

JOS. SIMARD, Pres. P. H. DESROSIERS, Gen. Mgr.

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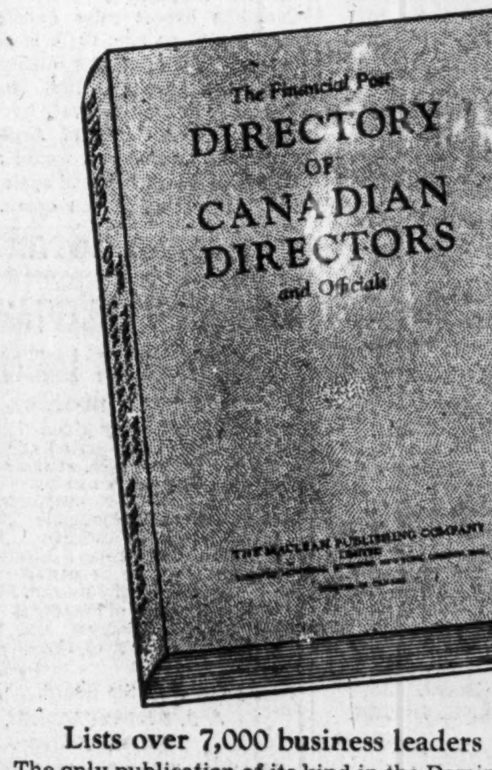

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Mine Dividends in 1936 Hit $85 Millions Mark

Eleven New Gold Producers Make Dividend Debut — Set New Record for Dominion

Eclipsing estimates made earlier in the year, Canadian mining companies paid a total of some $85.3 millions in dividends during the 1936 calendar year, The Financial Post estimates.

No less than 12 companies, 11 of them gold producers, made their debut as dividend payers during the year. No 1935 dividend payers failed to make a payment in 1936.

Including the same types of companies, the 1935 payments totalled around $61.7 millions making the 1936 distribution an increase of about 38% over the previous year.

This remarkable record is still more impressive when it is recalled that several companies have already made 1937 declarations, and numerous other concerns are almost certain to pay their first dividend in 1937, leaving the conclusion that the year just starting will make a new record.

New Dividend Payers

Of the new dividend payers, five had British Columbia charters or have their property located in B. C. Ontario accounts for five more of the dividend debutantes, and Quebec one, the Beattie Mine.

Of the old-timers, International Nickel is by far the greatest dividend payer, having disbursed in 1936 nearly $19 millions on its common stock, as well as nearly $2 millions on its preferred. Lake Shore, Canada's wonder mine, paid out $10 millions as compared with $8 millions the previous year, thus retaining second place in the whole list, and first among the gold producers. Third place goes to Noranda, the large Quebec copper-gold producer and fourth place to Consolidated Mining & Smelting Co.

The holding companies, whose payments, of course, duplicate to some extent the payments shown for the producing mines, have had a good year. In this group, Ventures Ltd. has joined the ranks of the dividend payers.

The following table shows, company by company, the record for the year just ended as compared with that of 1935:

Dividends Paid in Calendar Years

Mine	Main Product	Paid and Payable in 1936 Total $	Paid and Payable in 1936 per share $	Paid in 1935 Total $	Paid in 1935 per share $
British Columbia					
Asnazu	gold	75,000	.05	......	..
Bralorne	gold	558,000	.45	372,000	.30
Bulolo Gold	gold	2,792,843	2.80	2,444,000	2.60
Cariboo Gold	gold	99,998	.07½	......	..
*Consol. M. & S	lead-zinc	6,517,510	2.00	4,235,895	6.50
†Granby Con.	copper	4,500,000	10.	2,250,000	5.00
Highland Bell	gold	15,000	.01	......	..
‡Highland Lass	silver-lead	11,902	.05	52,369	.22
Howe Sound	copper	2,405,784	4.85	1,918,853	4.05
Island Mt.	gold	105,072	.10	......	..
Pioneer Gold	gold	1,401,400	.80	1,401,400	.80
Premier Gold	gold	800,000	.16	650,000	.13
Reno Gold	gold	225,600	.12	263,200	.14
Sheep Creek	gold	75,000	.04	......	..
Ymir Yankee Girl	gold	111,250	.05	......	..
Manitoba					
Hudson Bay	copper-zinc	2,759,973	1.00	2,759,973	1.00
San Antonio	gold	324,228	.14	486,343	.21
Ontario					
Buffalo-Ankerite	gold	140,336	.20	140,336	.20
Central Patricia	gold	200,000	.08	......	..
Dome	gold	3,813,336	2.00	3,813,336	2.00
Falconbridge	nickel copper	1,001,102	.30	1,001,102	.30
Hollinger	gold	4,674,000	.95	4,428,000	.90
Howey	gold	100,000	.02	250,000	.05
Int'l Nickel (Com.)	nickel-copper	18,959,233	1.30	10,938,019	.75
Do., (Pref.)	nickel-copper	1,933,899	..	1,933,899	..
Kirkland Lake	gold	314,347	.06	157,174	.03
Lake Shore	gold	10,000,000	5.00	8,000,000	4.00
Lava Cap	gold	100,000	.04	......	..
Little Long Lac	gold	549,900	.30	......	..
Macassa	gold	401,710	.15	401,710	.15
McIntyre	gold	1,598,100	2.00	1,596,000	2.00
McKenzie R. L.	gold	203,000	.07	......	..
Pickle Crow	gold	600,000	.20	......	..
Rosedale	gold	62,500	.05	37,500	.03
Sylvanite	gold	659,900	.20	659,900	.20
Teck-Hughes	gold	2,163,215	.45	1,922,858	.40
Toburn	gold	148,000	.08	148,000	.08
Wright Hargreaves	gold	3,300,000	.60	3,300,000	.60
Quebec					
Beattie	gold	239,410	.05	......	..
McWatters	gold	186,051	.10	93,025	.05
Noranda	copper	6,719,316	3.00	4,479,544	2.00
Siscoe	gold	968,114	.21	968,114	.21
Miscellaneous					
Anglo-Huronian		521,042	.40	260,521	.20
Coniagas		95,788	.12½	95,788	.12½
Kerr Lake		30,000	.05	60,000	.10
McKinley		56,193	.05	56,193	.05
Nipissing		600,000	.50	150,000	.12½
Northern Canada		100,000	.04	50,000	.02
Ventures		196,744	.02½	......	..
Total		85,411,796	..	61,774,062	..

*Former $25 par reduced to $5 par by split in stock in 1936.
†Return of capital.
‡On June 16, 1936, co. amalgamated with Bell Mines Ltd., forming Highland-Bell Ltd.

Mines Spend $250,000 Daily for Supplies

$85 Millions Comes to Manufacturers in 1935 Period

The tremendous sum of $84,813,605 was spent by Canadian mines for equipment and supplies in 1935. This amounts to nearly $250,000 per day.

This estimate is the result of a survey made by the Mining, Metallurgical, and Chemical branch of the Dominion Bureau of Statistics.

As pointed out at the time the 1934 estimate was made, even this figure does not tell the whole story, as many millions have been spent by syndicates and private groups in the course of exploration and development work of properties across Canada. Nor does it include the tremendous amounts spent for food.

The 1935 figure shows an increase of some $8.8 millions over the 1934 expenditure. Owing to the immense amount of work involved in such a survey, expenditures for 1936 cannot be estimated for some time, but, in view of the intense activity in the mining fields in the past year, it is apparent on the surface that expenditures will show another great increase.

Biggest Item is Power

It is worth noting how varied are the channels through which this sum flows into the industrial arteries of the nation. The biggest single item, some $10.7 millions is for power. Insurance companies got over $5 millions direct from the companies, not to mention the personal life premiums paid by the employees of mines. Such small hardware items as nuts, bolts, etc., account for $600,000 worth of business. To the railways went some $12 millions.

The items, with the total for Canada, are listed below. The list is broken down in more complete detail in the booklet issued by the Dominion Bureau of Statistics.

Item	$
Belting of all kinds	351,503
Bolts, nuts, rivets, etc.	600,594
Castings, unfinished iron & steel	363,376
Unfinished brass castings, etc.	313,645
Cars, locomotives & parts	629,061
Track materials	633,269
Explosives	5,550,217
Rock drills & parts	1,235,469
Drill & tool steels	797,410
Pipe, fittings, plumbing supplies & valves	2,401,919
Iron & steel bars, etc.	1,928,944
Wire rope & fittings	660,184
Diamonds & bort for drilling	153,123
Safety equipment & apparel	323,444
Fuel—coal, coke, etc.	7,412,076
Fuel oil, kerosene & gasoline	1,852,141
Lubricants	695,665
Lumber & timber	5,051,087
Building materials	1,540,723
Electrical equipment & supplies	2,614,265
Crushing, grinding & screening machinery	1,491,883
Filter cloth, rotor covers & ore dressing blankets	213,168
Balls & rods for grinding	1,243,491
Machinery mill, n.o.p., & parts	1,678,512
Machinery, mine, n.o.p., & parts	1,914,819
Machy., smelter, n.o.p., & parts	783,634
Machinery, miscel., & parts	1,208,336
Motor cars, trucks & accessories	452,921
Tools	427,782
Welding & cutting equipment	303,337
Rubber goods	381,929
Flotation reagents	875,083
Cyanide & cyanide plant chemicals	1,321,409
Acids & chemicals, n.o.p.	792,886
Refractories	918,584
Smelter fluxes	1,579,385
Hospital equip. & med. supplies	64,178
Stationery	421,090
Miscellaneous materials, n.o.p.	3,956,439
Power—electric	10,714,600
Freight:	
(a) Incoming*	8,518,035
(b) Outgoing	3,719,375
Express.	
(a) Incoming*	86,755
(b) Outgoing	132,752
Insurance:	
(a) Fire	1,542,831
(b) Sickness & accident	132,955
(c) Group	288,120
(d) Workmen's compensation.	2,834,429
(e) Bullion	53,392
(f) Other	247,153
Added items for Coal Mining Industry:	
Rly. locomotives & rolling stk.	349,924
Underground mine cars	372,203
Coal cutting machy. & parts.	365,343
Horses and horse-keep	264,394
Ground limestone for dusting.	54,361
Total	84,813,603
Comparative totals for 1934	76,082,765

*Only amounts paid direct to railway co.

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C. I. M. M. CHAIRMAN

William Carter, Montreal branch manager of the Canadian Ingersoll-Rand Co., who has been elected chairman of the Montreal branch of the Canadian Institute of Mining and Metallurgy and elected general chairman for the annual meeting of the institute to be held in Montreal on March 15, 16 and 17.

Th'pson-Cadillac May Step Up Mill

Handles 85 Tons Daily Since December — Considers 100 Tons

From Our Own Correspondent

MONTREAL. — Thompson-Cadillac Mining Corp. report recovery in gold and concentrates valued at $13,107 during November, according to a report issued by Andrew Walz, consulting engineer. Of the total recovery $7,321 was shipped to the mint and the balance sent to the stock pile. In all, the company handled 2,178 tons, on which the recovery was 91.8% from the average mill feed of $6.55.

At the beginning of December production was stepped up to 85 tons a day. All the stopes now are well supplied with broken ore, the report says, and operations hereafter will be better balanced than in the initial months of operation. A step-up to 100 tons daily is being considered and this will depend largely on new developments in other sections of the mines.

In concluding his report, Mr. Walz said: "Revenue is now being received from the consignments of concentrates which left the mine during the late fall, and preparations are being made to ship the product regularly from now on. The mine today is in a much improved ore position than heretofore and the recent disclosures of high-grade ore on the bottom level have done a lot to do this."

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—A busy winter lies ahead of Manitoba's northland, particularly that section popularly described as "North of 53." In the Morton Lake district, which takes in Norris Lake, North Star Lake and others, work is now in progress on the Jupiter group, Golden Shower syndicate claims and the Dixon Peterson holdings. Crews are also at work on the properties of William Garbutt and Thomas Webb at Elbow Lake and on the Reed Lake Mines property at Reed Lake, with J. R. Eagle in charge at the latter property. Most of the work being done is on the surface, drilling or preparing for drilling.

* * *

At Tartan Lake and Douglas Lake in the Flin Flon area there is much activity. Good progress in shaft sinking is being made at the Gurney Gold Mines property and surface work is also being conducted. In addition plans are maturing rapidly for mill construction and it is anticipated pouring of concrete will commence just as soon as weather conditions permit.

Flin Flon Gold Mining Co. is steadily continuing its programme of diamond drilling and underground exploration work and anticipates that by early spring it will have sufficient information to make further plans looking to bringing the property into production.

* * *

Henning Maloney, next door to Flin Flon Gold Mines, has commenced a drilling programme. A series of holes is to be drilled to the 200-ft. horizon, carrying on work from the surface where a 200-ft. length of $12 ore has been officially reported. The vein is traceable for 3,000 ft., but much of it lies under swamps, making it difficult to investigate on the surface.

* * *

Laguna Gold Mine is increasing its capacity and its last production was the highest yet recorded.

* * *

Central Manitoba Mines Limited says $9 ore has been reached at the 450-ft. horizon of the Hope shaft. This is the deepest to which the Hope shaft has penetrated and the ore occurrence gives indications of being important, particularly in view of the somewhat parlous state of present ore reserves.

In the Kitchener shaft, drifting at the 850-ft. level continues.

Reports Promising From Great Falls

From Our Own Correspondent

WINNIPEG. — Northfield Mining Co., a combination of the Lindsley, McDonough and Drummand-Hay interests, has been drilling the property of Great Falls Consolidated, and is reported to have obtained an extension of six weeks on its present option.

No official information has been given out as to results but from sources that are well authenticated it is said drilling has been most pleasantly surprised the present operators in widths and values.

Little Bear Lake, around which this exploration extends, is not more than 100 miles from Winnipeg.

Cariboo Gold Quartz Production Is Lower

Further reduction in monthly output of Cariboo Gold Quartz Mining Co. is revealed in November figures of $68,145 from 1,947 ounces of gold. This compares with $80,045 in October, but the decline is not so pronounced as the figures indicate, since October recovery figures included $10,936 from the ball mill clean-up.

Recovery at Cariboo Gold Quartz was approximately $76,195 in August, but monthly figures have shown a slight decrease in each succeeding period, with the November figure lowest of all. Milling rate has held relatively steady at between 6,200 and 6,300 tons a month since August, when it was stepped up from 5,461 in July.

Continued Advance Seen for Industry

(Continued from page 9)

about 38% of total production. It is easy to see the benefit of this in keeping factories busy and lowering costs to Canadian buyers.

The industry has undertaken a considerable capital expenditure in recent months in order to satisfy the 65% content requirement set for 1937.

Sales in Canada can reach much higher figures in 1937 than in 1936, without breaking any records and without building Canada's transportation fleet beyond what we may regard as normal.—*H. J. Carmichael, vice-president and general manager, General Motors of Canada.*

Opportunities Ahead

CLOSING a year in which substantial progress was accomplished, Canada is preparing to set out upon a new year which promises greater achievement.

W. R. CAMPBELL

Most indications point to better times ahead. Our progress during the year to come should be as great, perhaps greater, than during 1936. Of one thing we are sure; the opportunities will be there. It devolves upon us to take advantage of them and to extract from them every possible benefit.

So far as Ford Motor Company of Canada is concerned, we look toward the future with confidence. We are confident that our markets, both here in Canada, and in our Empire territories overseas, will increase substantially during the next few years.—*W. R. Campbell, president, Ford Motor Co. of Canada.*

Livestock Prices

RECENT surveys of cattle on feed in Canada and the United States indicate a sharp decline in numbers. Reports emanating from well-informed circles indicate a sharp incline in hog prices in the spring and early summer and such advances will influence consumption of other meat, probably diverting consumption from pork to beef. Another factor which will likely further reduce cattle carried on dry feed is the increased cost. A reasonable deduction from the foregoing would be a demand for well bred and highly finished dry fed cattle at much stronger prices.—*R. James Speers, member, Winnipeg Livestock Exchange.*

Rubber Industry

CANADIAN manufacturers of rubber goods have just completed a year of fair activity and some may have made a modest profit. They hope to do better in 1937. Throughout 1936, repeated threats of international trouble retarded business in Canada. While final figures are not available, the production and sales of Canadian rubber goods appears to have been a little better in 1936 than in 1935.

If a feeling of industrial and international peace develops the turning of more wheels in the coming year, tires, belts, hose and other rubber articles will be in greater demand and the year might produce a 50 million dollar business in Canada, one-half the total of 1928.—*W. A. Eden, president, Dominion Rubber Ltd. and Rubber Association of Canada.*

Lumbering Improves

DURING 1936 the lumber situation improved steadily and prospects for the coming year are promising. Practically all branches of the industry report a larger turnover or output than in 1935 and results on the whole are more encouraging than for any period since 1929. Export trade to Great Britain showed a gratifying gain and shipments to the United States, as a result of the reciprocity pact, greatly increased.

It is hoped that there will be a revision of the Dominion Housing Act during the forthcoming session at Ottawa in order that lower-cost homes may be erected.

Logging costs are heavier this winter by reason of increased wages of lumberjacks and advances in the price for food supplies and equipment of all kinds. Lumber values rose appreciably during the past 12 months and it is confidently expected that higher prices will prevail during 1937.—*G. B. Van Blaricon, editor, Canada Lumberman.*

Purchasing Power Up

MAIL order in 1936 showed a marked improvement over the preceding year and reflected the increased purchasing power of the rural people of Canada. The better prices being paid for farm products, and the ready demand for them, promise a further increase in mail order business for the New Year. The debt adjustments, particularly in the western provinces, have had the effect of encouraging the agriculturist and have brightened the outlook of many thousands of homes.—*H. H. Bishop, vice-president and general manager, Robert Simpson Eastern Ltd. and Robert Simpson Western Ltd.*

Livestock Exports

IN THE livestock field, 1936 has been a good year, and the prospect is that 1937 will be better. Deliveries of both cattle and hogs have been greater than last year.

Cattle prices almost throughout the year have been somewhat lower than in 1935. The reduction of duty on cattle entering the United States, brought about by the trade agreement, was helpful and should be more so during 1937. For it is expected that cattle prices in the United States during 1937 will be substantially higher than during 1936.

Hog prices throughout the year have been high, and producers have made a good profit throughout the year. Prospect for the coming year is that the price may be still higher. Hogs are the most profitable product of the Canadian farm, and it is most important that production should be maintained so that we may work toward our quota on the British market of the equivalent of 2,500,000 bacon hogs.—*J. S. McLean, president, Canada Packers Ltd.*

Price Trend Upward

ALTHOUGH present conditions in the shoe manufacturing industry are far from happy, the improvement in the general business situation encourages the hope that 1937 may bring an easing of some of the industry's difficulties.

Advancing costs of leather without a commensurate increase in prices of shoes have "squeezed" the manufacturers so that a very large part of the production of the Canadian shoe factories in 1936 was sold without profit and even below cost. Prices of shoes cannot be maintained at depression levels, however, in the face of steadily increasing costs of materials and higher prices of shoes are inevitable in 1937.

Reports indicate an improvement in retail business in most parts of Canada and the shoe manufacturers expect to participate in a moderate measure in the benefits of the greater prosperity which is in prospect in the new year.—*Alfred Marois, president, The Shoe Manufacturers Association of Canada.*

B. C. Fishing

CONSERVATION methods adopted by the Dominion Government have resulted in building up the British Columbia ocean fishing industry to a greater volume. Production last year has been higher and sales sufficiently encouraging to predict that the carryover into 1937 will not be burdensome. The industry has been broadened by greater utilization of low grade fish and of all by-products, particularly in the manufacture of oil and meal.

H. R. MacMILLAN

One might reasonably hazard the opinion that provided British Empire preferences are maintained and prosperity continues at its present level in Canada, Great Britain and Australia, chief markets for B. C. fish products, we may expect slightly better market conditions than in the year just closed.—*H. R. MacMillan, president, B. C. Packers Ltd.*

Farm Implements

HE WOULD be a bold man who would attempt to forecast the volume of business in agricultural implements in Canada a year in advance.

At the middle of June, 1936, conditions were so promising that the forecast of needs for harvesting machinery called for 50% more of such equipment than was sold in 1935. When the season was completed, however, the sales, instead of being 50% higher, were roughly 50% lower than in the preceding year. Under conditions like these, prophecy is always dangerous.

Apart, however, from extraordinary conditions of this character, we look forward to a continuation of the increase in business which began in 1934 and has been maintained fairly constantly since that time.—*T. A. Russell, president, Massey Harris Co.*

Buying Is Better

WHEN final figures for the Canadian food industry for 1936 are in, it undoubtedly will be shown that the retail trade had a considerably better year than any since 1930. Higher values were responsible for part of the increase, but consumer purchasing is becoming freer and better.

On the other hand, retailers are buying and selling a better quality of merchandise and modernization of grocery stores has continued and is likely to continue. In addition, manufacturers are spending more time and money assisting the retail trade. All these factors noticeable in 1936 indicate a bright outlook for the trade during the coming year—*B. T. Huston, editor, Canadian Grocer.*

East Malartic Considers Mill

Expects Sufficient Ore Can be Developed to Justify It

From Our Own Correspondent

MONTREAL.—Developments during the past year have been satisfactory and it is expected that sufficient ore can be developed during the next fiscal year to warrant mill construction, according to a report sent to the shareholders by A. J. Davis, president of East Malartic Mine Ltd.

At the annual meeting Dec. 18, at which the financial statement for the year ended Aug. 31, 1936, was approved and the directors re-elected, J. P. Norrie, general manager, reported on developments.

Option Treasury Stock

Last October, he said, an agreement was entered into to option 1,465,000 shares, being the balance of treasury stock, to net the company $582,250. It is considered this additional capital should be sufficient to finance the property to production.

Northern Quebec Power Co. has completed construction of a transmission line to the property and complete electrical equipment and buildings have been erected for the sinking of two 3-compartment shafts.

Working on Shafts

Last April work was started on the No. 1 shaft and completed to a depth of 351 ft. on July 12, and levelled at 175 and 325 ft. Several hundred feet of crosscutting was done on both levels. On the upper level 125 ft. of drifting was done in ore of average width of 20 ft., average grade at $7 a ton.

Sinking of the No. 2 shaft was started in July and completed to a depth of 199 ft. from the station at the 175-ft. level.

Surf Inlet Starts Big Programme

From Our Own Correspondent

VANCOUVER. — Encouraged by the results during the past three months of operation at the Pugsley mine, Surf Inlet Consolidated Gold Mines has decided to resume development in a vigorous way.

Preparations were made this month to start crosscutting on the 1,100 level to intersect the west vein, and it is expected good ore will be found there. The company hopes that a junction of the east and west veins will be encountered at this horizon.

In November, 847 tons of ore were milled, with an average of .454 ounces gold per ton. Recovery was 91.70%. Total gold production was 352.77 ounces.

Welldun Mill Closes; Will Reopen in Spring

From Our Own Correspondent

VANCOUVER.—Welldun Mining and Milling Co., which has been operating the old Dunwell Mining Co. holdings in the Portland Canal mining area, has closed its mill for the winter season, but will reopen in the early spring.

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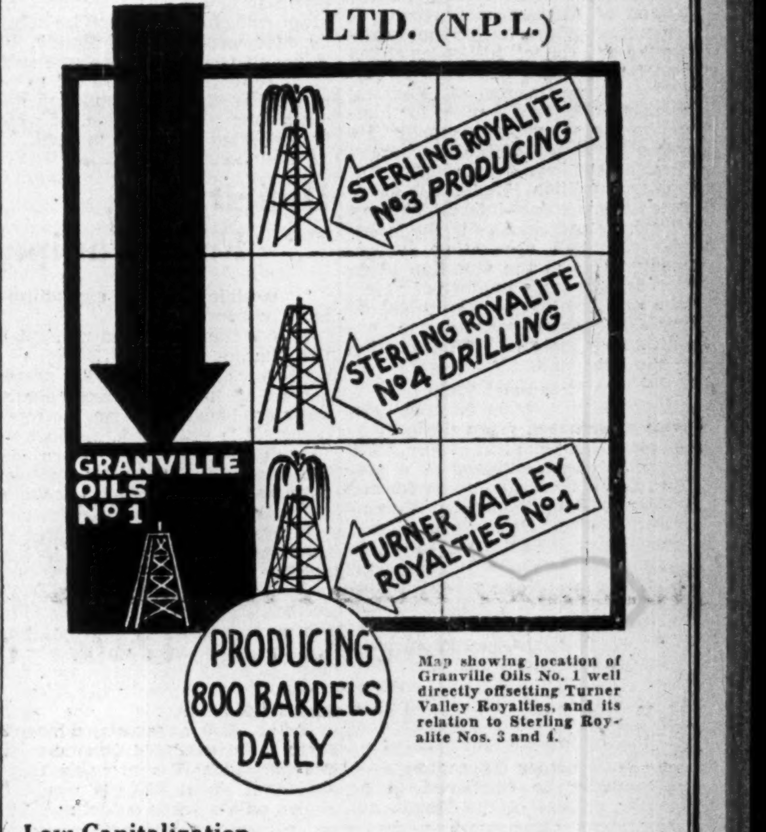

Map showing location of Granville Oils No. 1 well directly offsetting Turner Valley Royalties, and its relation to Sterling Royalite Nos. 3 and 4.

Low Capitalization
Granville Oils, Ltd. (N.P.L.), is capitalized at only 500,000 shares with a par value of $1 each. Of this amount only 200,000 was authorized for sale and out of this 100,000 was set aside for major oil companies. Allotted for other than cash were 150,000 shares held in escrow until No. 1 well is completed.

Major Companies Interested
Of the 100,000 shares set aside for major oil companies, Royalite has already taken up 35,000 shares and Freehold has taken up 25,000. Other companies are at present negotiating for further substantial blocks of stock.

Important Location
Granville Oil No. 1 offsets Turner Valley Royalties No. 1, now producing 800 barrels of crude oil daily; adjoins Sterling Royalite Nos. 3 and 4. Sterling Royalite No. 3 is already producing, while No. 4 is drilling at over 5,800 feet and is expected to be brought in very shortly. In this strategic position Granville Oils No. 1 has an excellent chance of becoming a large crude oil producer. The well has already been spudded in, and is being drilled by Snyder and Head, Alberta's ace rotary drillers.

Monthly Dividends
Upon completion of the first well shareholders will receive MONTHLY dividend cheques, for many years to come, in the same manner as royalty payments. It is conservatively estimated that on a 700-barrel well, Granville Oils, Ltd., could pay 7 cents a share per month. The entire production of the first well has been assigned to the Prudential Trust Company to be paid out to all shareholders on record.

Opinions
A Geologist—"In view of recent developments on the west flank of Turner Valley and the favorable location of your lease I believe that crude oil in commercial quantities will be obtained, and recommend that a well be drilled to a depth sufficient to test the producing horizon of the limestone."
R. V. Johnson, Geologist.

A Driller—"Truly it is by far the best thing in the Turner Valley, and if there is such a thing as a 'cinch' in the oil field, that is it."
E. M. (Red) Young, Oil Driller.

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Montreal's Boss—

Mayor-Elect Raynault, One of a Family of 18, Promises Civic Reforms

From Our Own Correspondent

MONTREAL.—They said it could not be done, but when the returning officers counted the votes, J. Adhemar Raynault had won the Montreal mayoralty race from Camillien Houde by a majority of 3,800 votes.

The significant feature of the election was that despite the popularity of ex-Mayor Houde, both French and English-speaking electors gave a majority vote to one who has steadfastly opposed Houde in the Montreal City Council. Further, Raynault is a staunch supporter of the Duplessis party, which draws its support from voters favoring a National policy for Quebec.

MAYOR J. A. RAYNAULT

One of Large Family

Adhemar Raynault, like his political opponent, is an insurance agent by profession. He was born in 1893 at St. Girard de Magella, l'Assomption Co., one of a family of 18 children. After receiving his education in Montreal parish schools, he started soliciting insurance at the age of 18.

Like many another insurance agent, Raynault found it good business to bring himself in contact with people in all walks of life. He joined the St. Jean Baptiste Society, of which he became president. Later he became vice-president of the Mount Royal section of Association of Catholic Travellers, also sitting on the central board of that organization.

His career was interrupted by the war. He volunteered for service in the Laval C.O.T.C. On demobilization, he resumed his insurance work.

Elected Alderman in 1934

From that time on, Raynault began to devote a larger share of his time to public activity. He was one of the founders and, since the foundation, president of the East End Property Owners League. This work brought him into touch with a large number of property owners and, as he was well known through the operation of his insurance agency, it was not surprising to find him entering the city council in 1934 as alderman for Prefontaine Ward.

The future mayor of Montreal quickly established a place for himself in the aldermanic council. He was a bitter foe of the Taschereau Government and main critic of Mayor Camillien Houde. His advocacy for lower debt interest, cheaper electricity and changes in the Montreal city hall accounting system, brought him to the attention of an increasingly large number of voters who saw in him one who might do something toward correcting the unsatisfactory state of affairs existing in the City Hall.

In Provincial Field

His public position became even more pronounced when the provincial elections took place in Nov., 1935 Raynault was mentioned as a possible candidate for the newly formed National Union party in Maisonneuve division. He had been closely associated with Paul Gouin in Action Libérale Nationale. When Duplessis and Gouin split, Raynault maintained an independent position, but did not run as a provincial candidate.

The Taschereau Government went down to defeat last summer. This time Alderman Raynault entered the provincial field under Duplessis colors and won the L'Assomption seat for the present Government.

Beats Strong Opposition

Meanwhile he continued to be strongly critical of the Houde administration of Montreal. When the mayor retired unexpectedly at the end of last August, Raynault stood out as a likely successor. Houde's last moment political manoeuvre of re-entering the race for mayor was a spectacular feature of the election, but the people decided that as he had done little to improve conditions at the city hall, a change was in order and voted Raynault to office.

As mayor-elect for Montreal, Raynault will work in close co-operation with the Quebec Government. However, he is an advocate of autonomy for Montreal and has clear-cut ideas of changes which he believes essential to the city's welfare. His proposed reforms will not be helped by aldermen favoring Houde, but Raynault is expected to have sufficient support in the council to put across his ideas of sound and efficient civic administration, of which Montreal has long been in need.

Deficit Seen For Winnipeg

"It is plain that city expenditures must be decreased."

This is the conclusion reached by the Winnipeg Board of Trade.

If the city pursues its present course of increasing expenditures, taxes are bound to go up, the report states. It is estimated that in order to balance the budget on a cash basis for 1937, $928,000 of additional revenue will have to be provided, unless expenditures are reduced.

In this connection it is pointed out that while the city balanced its budget for 1936, $563,229 of the estimates were to be met out of the accumulated surplus for 1935. Furthermore, additional appropriations and revenue losses up to Aug. 31 last indicated that there would be a deficit on the year's operations of at least $135,287.

If the 1935 accumulated surplus were to be excluded from the 1936 accounts then it is probable that a deficit of about $700,000 would be shown on the year's operations. This is exclusive of any provision for unemployment relief costs, estimated at $1.5 million. This entire amount is to be capitalized.

Vancouver Picks Middle-Road Man For New Mayor

From Our Own Correspondent

VANCOUVER.—George C. Miller, this city's new mayor, is a thoroughgoing champion of a sound money policy and definitely against repudiation. As chairman of the city council's finance committee for several years, he knows the ins and outs of Vancouver's economic situation as well as anyone in municipal life, and is generally regarded by business interests as a safe, sound administrator.

GEORGE C. MILLER

Miller was supported in his campaign by the retiring mayor, aggressive Gerry McGeer, who will in future concentrate his energies on the House of Commons.

"With Gerry at Ottawa and myself in the City Hall there's not much we can't do," said Miller at one of his campaign meetings, but there is no indication of Miller launching a crusade such as McGeer attempted during his term of office for arbitrary slashing of interest rates on bonds. His policies will probably be tempered still further by the fact that his sponsor, McGeer, appears to have a much more moderate view on municipal finances since he had an opportunity of talking things over with the financial bigwigs of London.

Miller, as chairman of the finance committee and one of the council's delegates to confer with Jules Fortin, representing the bondholders, at Winnipeg as well as on the coast, will be able to proceed with the city's programme for financial stability with a greater degree of continuity than any of the other mayoral candidates.

Mayor-elect Miller will probably set forth his financial policy in greater detail during the next few days, but in previous statements he has advocated a "five-year breathing spell" for Vancouver by means of a temporary adjustment of interest rates downward, but only with the consent of a majority of the bondholders.

Miller is another Ontario boy who has made good in the West. He was born in Huron county January 9, 1882, and came to British Columbia in 1891. He was educated here and became a manufacturer's agent. He still owns Pacific Distributing Company, chiefly concerned with selling electric light globes. Since 1928 municipal politics has engaged most of his attention. In 1910 he married Isabella Reid Mitchell, and now has two daughters and a son.

Making no pretense of being an orator, like his immediate predecessor, Miller is a mild-mannered, cigar-smoking executive, who usually gets his way by dogged persistence and careful treading in the middle of the road.

Newfoundland's Outlook More Favorable for 1937

Fishery Prospects and Possibility of Gander Pulp Mill Are Bright Spots — Unemployment Problem To Be Faced

From Our Own Correspondent

ST. JOHN'S, NFLD.—Replying to questions from the Labor Opposition, the Dominions Secretary, Mr. Malcolm MacDonald, recently told the British House of Commons that Newfoundland's condition was satisfactory and economic prospects were improving. It cannot be denied that there is some basis for these optimistic utterances although critics in the Island assert that Mr. MacDonald told only half the truth.

The divergence of opinion on the economic situation results from the use of two different yardsticks. The Dominions Secretary measures the progress of Newfoundland by revenue returns, trade volume, and the development of Government policy. His Island critics regard comparative relief statistics as a more reliable guide.

Revenue Higher

By Mr. MacDonald's method of computation, conditions are better. Despite substantial tariff reductions, the revenue has increased steadily since the Commission took office although much of this increase is due to the stoppage of serious leakages that had previously existed. Trade volume, which had declined from a high of $71 millions in fiscal 1929 to a low of $39 millions in fiscal 1933, has increased each year since. For the last accounting period which ended last June, it had risen to about $50 millions.

Progress in other directions, as listed by Mr. MacDonald, includes an attempt to rationalize the marketing of salt codfish, an increase in the export of raw pulpwood, and some slight progress with the land colony scheme.

Against all this, those who criticize Mr. MacDonald's optimism point to higher relief figures throughout the summer and fall. They contend that about one-third of the population has almost no earning power and that all the revenue and trade improvements result from an increase in the earnings of a comparatively small number employed in industry at high wages. They add that until something is done to bring about a substantial increase in employment, it is idle to talk about improved prospects.

Employment Situation

The 1936 calendar year has seen little change in the basic situation. Increased employment in the forest industries, on the new highway planned eventually to traverse the Island from Port aux Basques to St. John's, and the few hundreds absorbed into land colonies or given jobs on the new Imperial Airways airport and in mineral explorations, could not possibly compensate for a much reduced catch of cod and smaller demand for labor in the Bell Island iron mines.

Fishery Hits St. John's

The failure of fish to come to many parts of the coast compelled a great many fishermen to go on relief in the middle of the short producing season. Others, because of low prices, have been forced to seek relief because they were barely able to square their supply accounts. Failure of the 1936 fishery had a most depressing effect upon St. John's which does not share in the wage distributions of the industrial centres to anything like the extent it benefits from the fishing industry.

The country was electrified by publication of an interview with the Commissioner for Public Utilities, T. Lodge, in which it was stated that the much-discussed newsprint mill on the Gander River would soon become an accomplished fact. The same afternoon, Mr. Lodge denied he had been correctly quoted.

Popular thought was divided as to whether the Commissioner had merely been indiscreet or had been misunderstood. In his repudiation of the statement Mr. Lodge admitted negotiations regarding the Gander project were still in progress but that nothing could be done until May.

Anticipate Gander Mill

Well-informed people declare there will be a Gander construction this year but that it will involve cellulose products other than newsprint and will, at the outset, be a comparatively small undertaking. There appears to be very little prospect, for the present, of an undertaking that will even in small measure compare with the great Humber enterprise which gave constant employment on construction to 6,000 men for three years.

More Optimistic Outlook

Generally speaking, the outlook for 1937 seems somewhat more optimistic. The fishery situation has brightened as a result of inclusion of Newfoundland in the Anglo-Italian trade agreement by which the island receives a quarterly quota of fish exports to Italy of about $180,000 in value. Arrangements have been made for reasonably prompt liquidation of blocked exchange held for the credit of Newfoundland exporters and much money, tied up for more than a year, will soon be released.

Greece is likely to become a better customer as a result of a shortage of French fish which, aided by a bounty, has enjoyed almost a monopoly of the Greek market. Furthermore, the fish caught in this year's winter fishery which has usually been dried for Portugal will be purchased by Harvey & Company of St. John's for filleting. Consequently the prospect of better prices for early Bank-caught fish will be considerably enhanced.

Mineral Prospects

Of future prospects, the most uncertain and, at the same time, the most hopeful, is mineral development. The past two years have seen a notable revival of interest in mining and several promising properties are now being explored. One of the best of these is understood to be the molybdenum claim at Rencontre East where Dana & Company of New York is pushing a thorough investigation. Other molybdenum properties have also aroused keen interest.

Production of fluorspar at St. Lawrence has been steadily increasing and work on the lead-zinc prospect at La Manche has been renewed. At Fleur de Lys in White Bay, properties optioned to English interests are said to reveal large and rich deposits of molybdenum and lead-zinc, and in Canada Harbour, a few miles south of St. Anthony, marble and a number of other mineral deposits are being explored. There still remain the copper sulphide areas of Green Bay, said to contain millions of tons of valuable ore, and a new company has been formed in an attempt to develop coal fields at St. George's on the west coast.

Relief Problem

Improvement in 1937 prospects suggested by the facts related is encouraging but it is unlikely that it will do much to bring about a substantial re-employment of relief recipients. The airport, highway, and possibly the Gander project, must in time result in a large increase in employment. Hope that the mineral deposits now under investigation will make many permanent jobs also runs high.

Progress of the land development scheme is slow and this may only be regarded as a very long range project. It seems obvious, therefore, that certain palliatives may have to be provided by the Government to maintain public morale until all the unemployed may be absorbed by industrial expansion.

Quebec Pushes Furniture

Quebec provincial authorities are organizing displays of Quebec domestic furniture to be publicly exhibited in January.

Your Will and Your Estate

Insurance

An estate, according to the Concise Oxford Dictionary, is "One's collective assets and liabilities."

Like any business in which there is an excess of liabilities over assets, an estate may become insolvent and, on the death of a testator, bankrupt. Liquidation of such an estate may reveal that assets are not sufficient to meet "lawful debts," and when these conditions arise there is obviously nothing for dependents and heirs. Terms of a will in which legacies or incomes were provided when the estate was "solvent" are, of course, nullified. The law protects creditors in these circumstances ahead of beneficiaries.

In such cases insurance enters into the situation and, at low cost, can increase the assets to a point where they are far in excess of liabilities when settlement is made after the testator's death.

"Create An Estate"

Because they are essentially true and applicable to the needs of thousands, the insurance slogan, "Create An Estate With Life Insurance" and similar advertising phrases, are among the best known in business. It is literally possible to create an estate with a value far above anything that might be acquired otherwise, and to leave dependents in a self-sustaining financial position by means of life insurance. The estate probated in Canada which does not include a substantial proportion of insurance, is now a rare exception.

All the leading Canadian life insurance companies have for some years specialized in "estate building," a not entirely unselfish movement, but one which reveals the far reaching possibilities for men of moderate means to create security and financial independence for their families when they themselves are dead or have passed the age of earning ability.

Two main methods of creating an estate exist. One involves the gradual accumulation of cash, stocks, bonds, real estate and mortgages, against the insurance method of immediately creating an estate by special contract, at comparatively low cost and assured of fulfillment by the insurance company.

Fulfillment Assured

The long-term creation of an estate adequate for the needs of dependents is contingent on variable factors of good business judgment extending over a lifetime, through periods of business depression and prosperity; thrift, by means of systematic savings over many years, and perhaps most important of all, the necessity that the businessman will live long enough to carry out his plans for dependents in his will.

Against these variable factors in estate building, insurance companies offer one constant factor, immediate creation of the estate and its continuance by means of a fixed annual deposit. It is one of the most elementary but important points in connection with all factors involving insurance as part of an estate.

Estate Conservation

Insurance plays another important part in estate building. Records of probate in Canada reveal a surprisingly short life for estates of $100,000 or over after they have passed to beneficiaries. The average, for estates of this size, left outright to heirs, is seven to nine years, and among plans to overcome the early dissipation of large estates are many which provide for assured income rather than lump sum payments. Among these are annuities, and, in developing this type of estate, insurance companies have evolved a monthly income plan, and if the policy is endorsed to leave the proceeds on deposit with the company for a stated period, interest may be paid for life to the beneficiary. It is a plan by which an estate is created to meet the needs of beneficiaries as long as their needs continue.

An example of this method is the case of an insured businessman of 35, with a wife aged 33, a son five years old and a daughter aged three. With $10,000 insurance in force and the husband dying within a year of securing the policy the financial result might be as follows, depending on the children's ages and other variable factors:

Proceeds of the policy, $10,000, left on deposit with the insurance company would earn about $500 annually at 5%, the interest being paid to the widow for life, of which her expectancy is 35 years:

$500 per year for 35 years ..	$17,500
At wife's death half of principal to son	5,000
At wife's death half of principal to daughter	5,000
Total	$27,500

Options Available

Another example of the function of insurance in estate building, as developed by a Canadian company, is that of a $10,000 policy, maturing as an endowment at age 65. The following options are then available if the money is left on deposit with the insurance company:

1. At 5% interest, $10,000 provides $500 a year as long as the policyholder lives and as long as his wife lives and the entire principal is then available to the children.
2. If the wife and children are not living when the policyholder reaches 65, the policyholder himself may take an annuity of $1,107 a year payable as long as he lives.
3. If the policyholder and his wife are both living and the children are independent, the husband and wife may take a joint survivorship annuity of approximately $800 a year, paid as long as either lives.

The income from plans Nos. 2 and 3 does not depend on stock market or financial conditions, and is not affected by uncontrollable hazards of business. The figures are based on the assumption that existing annuity and interest rates are maintained.

Insurance, too, may be used as a convenient form of quick assets to meet succession duty charges at death. In many instances savings are possible through avoidance of the necessity for liquidating other types of assets including securities, which, at the time of death, may be currently far below their actual intrinsic value.

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